



RICKY D. HATCH, CPA
Clerk/Auditor

1 May 2024

Weber County Audit Committee
2380 Washington Blvd.
Ogden, UT 84401



Dear Committee Members:

I recently completed an audit of the Weber County Animal Control and Shelter operations and administrative procedures. My purpose was to verify the accuracy and completeness of selected financial records and to assess compliance with certain internal controls. In addition, to describe different options for the structure of the organization, such as a Special Service District, Enterprise fund etc.

Background

The Mission is “to strive to transform lives through providing animal care, educating and promoting responsible pet ownership, provide safety and resources for the community, and encouraging compassion and positive relationships between people and animals. We are committed to finding every healthy and treatable animal a home.”

P Card purchases

I met with the Accountant and reviewed a sample of card purchases to determine if there was sufficient documentation to support the purchase. For May 2023 through December 2023 there was a total of \$15,046 in purchases. Initially, the Accountant did not know how to pull the electronic receipts and through trial and error was able to figure it out. In one instance, a purchase of \$446 was not supported by a receipt. Instead the Accountant was relying on an email from an employee that the service was provided. This is not the best business practice to substantiate a purchase. The Accountant also admitted she was intimidated by the electronic P

Card system and was more comfortable using paper invoices to obtain services from vendors. There appears to be a training opportunity for the Accountant to better familiarize herself with the electronic P Card System. Moreover, there is a redundancy of transactions recorded in MUNIS and paper copies retained. It was also noted that the Accountant had a book of passwords for access to various electronic systems in a desk drawer where the key was in the lock and it was not locked.

Cash Receipting and Depositing

The Accountant was unable to run a report in MUNIS to determine the number of posted revenue transactions and dollar amount. In addition, to verify these transactions only a paper audit trail is available as opposed to an electronic one. This seems to defeat the purpose of MUNIS to have electronic documentation.

Accounts Payable Disbursements

The Accountant was unable to run a report in MUNIS to determine the number of accounts payable transactions and dollar amount. Nevertheless, total disbursements for calendar year 2023 were 450 valued at \$278,489.27. A review of these disbursement reflected adequate invoice description.

Recommendation Management should consider providing more training to the Accountant.

Recommendation The Accountant should consider keeping passwords in a locked cabinet.

Recommendation Management should consider implementing electronic documentation for Cash Receipting and Depositing.

Staffing

Management has expressed concern over lack of staffing and relative high turnover of staff in part due to inability to provide adequate compensation (lack of funding). This condition is exasperated when staff are out of the office and there is no backup staff to perform important functions. Management stated they are trying to operate a no kill shelter on a kill shelter budget. Specifically, it costs more to operate a no kill shelter.

Structure

Management indicated they would prefer to move to a Special Service District (SSD) so that they can charge the 13 cities they serve an appropriate amount to sustain viability. For comparison, Salt Lake County and Davis County use the SSD model for their Animal Control operations.

Profit and loss

The Accountant was unable to run a profit and loss statement (revenue and expenses) in MUNIS. Nevertheless, below are the Profit and Loss for the Animal Control/ Shelter. As noted, 2023 had a loss of \$145,414 (Modified Accrual Accounting). Note that in 2023, there was \$109,766 in capital expenditures that contributed to the loss.

Actual	Year				
Accounts	2019	2020	2021	2022	2023
Revenue					
41 - Intergovernmental		\$3,221.50		\$0.00	\$0.00
43 - Charges For Services	\$888,372.73	\$838,314.81	\$898,236.51	\$994,950.08	\$1,088,107.67
49 - Other Financing	\$32,575.05	\$40,359.70	\$42,076.58	\$55,662.49	\$69,636.01
Revenue Total	\$920,947.78	\$881,896.01	\$940,313.09	\$1,050,612.57	\$1,157,743.68
Expense					
51 - Salaries & Wages	\$284,531.81	\$316,885.69	\$336,650.16	\$431,604.92	\$506,135.07
52 - Benefits	\$145,689.50	\$133,362.21	\$140,109.93	\$161,159.68	\$181,565.22
53 - Benefits	\$0.00	\$0.00		\$0.00	\$0.00
55 - Training & Travel	\$712.80	\$720.13	\$65.00	\$50.00	\$210.00
60 - Other Current Exp	\$197,549.72	\$155,239.17	\$174,071.71	\$191,008.79	\$236,873.22
76 - Capital Expenditure	\$7,241.65	\$80,069.94	\$1,050.00	\$0.00	\$109,765.96
78 - Other Current Exp	\$0.00	\$0.00		\$0.00	\$0.00
81 - Interdept Charges	\$11,452.06	\$12,083.68	\$12,764.76	\$46,219.36	\$48,658.33
85 - Interfund Transfers	\$232,420.13	\$223,259.79	\$213,742.60	\$216,115.20	\$219,950.72
Expense Total	\$879,597.67	\$921,620.61	\$878,454.16	\$1,046,157.95	\$1,303,158.52
Grand Total	\$41,350.11	(\$39,724.60)	\$61,858.93	\$4,454.62	(\$145,414.84)

The following are different options for changing the structure of the Animal Control and Animal Shelter organization.

Special Service District (SSD)

Pros:

1. **Funding Flexibility:** SSDs can generate revenue through taxes or fees specifically designated for the services they provide. This dedicated funding stream ensures financial stability for the animal shelter and control center.
2. **Local Control:** SSDs are often governed by a board comprised of local stakeholders, allowing for more direct oversight and tailored decision-making to meet the community's unique needs.
3. **Improved Services:** With a dedicated funding source, the animal shelter and control center can expand and improve their services, including enhanced animal care, increased adoption programs, and more effective animal control measures.

4. **Enhanced Community Engagement:** SSDs often involve the community in decision-making processes, fostering a sense of ownership and participation among residents regarding animal welfare issues.
5. **Efficiency:** By consolidating animal-related services under one administrative umbrella, an SSD can streamline operations, reduce redundancies, and potentially lower administrative costs.

Cons:

1. **Tax Burden:** Establishing an SSD may require imposing additional taxes or fees on residents within the district, which could be met with resistance from taxpayers who may not directly benefit from the services provided.
2. **Bureaucratic Complexity:** Creating and managing an SSD involves administrative overhead, including establishing a governing board, complying with legal requirements, and managing finances, which could increase bureaucracy and red tape.
3. **Potential for Mismanagement:** Without proper oversight and accountability mechanisms in place, SSDs can be susceptible to mismanagement or misuse of funds, leading to inefficiencies or even scandals.
4. **Limited Accountability:** While local control can be advantageous, it may also result in limited oversight from higher levels of government, potentially leading to disparities in service quality or unequal distribution of resources.
5. **Geographic Boundaries:** SSDs are typically confined to specific geographic areas, which may not align with the broader jurisdictional boundaries of the county. This could create challenges in addressing animal-related issues that transcend district borders.

Enterprise Fund

Pros:

1. **Financial Autonomy:** An Enterprise Fund allows the animal shelter and control center to operate as a self-sustaining entity, generating revenue from fees, licenses, adoption charges, and other services. This financial independence can insulate the facility from budget cuts and fluctuations in general government funding.
2. **Cost Recovery:** By charging fees for services rendered, an Enterprise Fund can strive for full or partial cost recovery, ensuring that taxpayers aren't solely burdened with the operational expenses of the animal shelter and control center.
3. **Business-like Operations:** Operating under an Enterprise Fund model encourages a more business-oriented approach to management, focusing on efficiency, cost-effectiveness, and customer service to attract clients and generate revenue.
4. **Financial Transparency:** Since Enterprise Funds are typically accounted for separately from general government funds, there's often greater transparency regarding revenues, expenditures, and financial performance, which can help build trust with stakeholders.
5. **Flexibility in Resource Allocation:** The ability to retain revenues within the Enterprise Fund provides flexibility in resource allocation, allowing the animal shelter and control center to invest in upgrades, expansion, or new programs without relying on external appropriations.

Cons:

1. **Fee Dependence:** Reliance on user fees and charges for revenue generation can create financial vulnerabilities, especially if demand for services fluctuates or if fee structures are not carefully calibrated to cover operating costs without becoming prohibitive for users.
2. **Equity Concerns:** Charging fees for services may create barriers to access for certain segments of the population, particularly low-income individuals or those facing financial hardship, potentially exacerbating issues related to animal welfare and public safety.
3. **Market Risks:** Operating as a business entity within a competitive marketplace introduces risks associated with fluctuating demand, changing regulatory environments, and competition from other animal-related service providers.
4. **Lack of Public Subsidy:** While financial autonomy can be a strength, it also means that the animal shelter and control center may not receive supplemental funding from the general government to address unexpected expenses, emergencies, or community-wide needs.
5. **Complex Financial Management:** Managing an Enterprise Fund requires expertise in financial planning, accounting, and business management, which may pose challenges for government agencies more accustomed to traditional budgeting and funding models.

Other Options

Direct Departmental Management:

Pros:

- **Integration with Government Functions:** Direct management within a government department allows for seamless integration with other governmental functions, such as law enforcement, public health, and emergency services.
- **Unified Oversight:** The county maintains direct oversight and control over the programs, ensuring alignment with broader governmental objectives and policies.
- **Consistency:** Operating as a government department provides stability and continuity in funding, staffing, and service delivery.

Cons:

- **Bureaucratic Constraints:** Subject to bureaucratic processes and budgetary constraints typical of government agencies, which may hinder flexibility and responsiveness.
- **Limited Innovation:** Government departments may be less agile in adopting innovative approaches or adapting to changing community needs compared to more nimble organizational structures.
- **Resource Dependency:** Reliant on government funding, which may fluctuate or face competition from other governmental priorities.

2. Nonprofit Organization Partnership:

Pros:

- **Specialized Expertise:** Nonprofit partners often bring specialized knowledge, experience, and passion for animal welfare, enhancing service quality and effectiveness.
- **Fundraising Potential:** Nonprofits may have access to additional funding sources, including grants, donations, and fundraising events, supplementing government funding and expanding program reach.
- **Community Engagement:** Partnerships with nonprofits can foster community involvement, volunteerism, and public support for animal welfare initiatives.

Cons:

- **Dependency on External Entities:** Reliance on nonprofit partners introduces dependency and potential risks if the organization faces financial or operational challenges.
- **Coordination Challenges:** Collaboration between the government and nonprofits requires clear communication, mutual trust, and effective coordination, which may pose logistical challenges.
- **Accountability Concerns:** Balancing autonomy for the nonprofit partner with the need for governmental oversight and accountability can be complex and require careful management.

3. Public-Private Partnership (PPP):

Pros:

- **Efficiency and Innovation:** PPPs leverage private sector expertise, technology, and resources to drive efficiency, innovation, and service quality improvements.
- **Risk Sharing:** Private partners assume some operational and financial risks, relieving the government of sole responsibility and liability.
- **Performance Incentives:** Contractual arrangements can include performance incentives and penalties, incentivizing the private partner to meet or exceed service standards.

Cons:

- **Cost Concerns:** PPPs may incur higher costs due to profit margins for private partners, potentially offsetting savings from efficiency gains.
- **Loss of Control:** Government oversight may be limited in PPP arrangements, raising concerns about accountability, transparency, and the public interest.
- **Contractual Complexity:** Negotiating and managing PPP contracts require specialized expertise and rigorous oversight to ensure compliance, equity, and value for money.

4. Interagency Collaboration:

Pros:

- **Economies of Scale:** Pooling resources and expertise through interagency collaboration can lead to economies of scale, cost savings, and improved service efficiency.
- **Enhanced Coordination:** Collaborative arrangements facilitate better coordination, information sharing, and joint problem-solving among participating agencies.
- **Comprehensive Service Coverage:** Regional collaboration ensures comprehensive coverage of animal control and shelter services, irrespective of jurisdictional boundaries.

Cons:

- **Complex Governance:** Interagency collaborations involve multiple stakeholders with diverse priorities, governance structures, and decision-making processes, potentially leading to coordination challenges and conflicts.
- **Resource Allocation Disputes:** Disagreements over resource allocation, funding responsibilities, and service priorities may arise among participating agencies, requiring mechanisms for dispute resolution and consensus-building.
- **Legal and Regulatory Barriers:** Differences in legal frameworks, regulations, and funding mechanisms across jurisdictions can impede seamless collaboration and require legal and administrative solutions.

5. Volunteer-Driven Model:

Pros:

- **Community Engagement:** Volunteer involvement fosters community engagement, ownership, and grassroots support for animal welfare initiatives, enhancing program effectiveness and sustainability.

- **Cost Savings:** Leveraging volunteer labor reduces staffing costs and expands program capacity without increasing government expenditures.
- **Flexibility and Adaptability:** Volunteer-driven models are often more agile and adaptable to changing community needs, allowing for experimentation and innovation in service delivery.

Cons:

- **Dependency on Volunteer Availability:** Reliance on volunteer labor introduces dependency on individuals' availability, commitment, and skills, which may fluctuate over time.
- **Training and Oversight:** Managing volunteers requires dedicated resources for recruitment, training, supervision, and coordination, which may strain program budgets and staff capacity.
- **Quality Control:** Ensuring consistency, reliability, and professionalism among volunteers can be challenging, leading to variations in service quality and reliability.

6. Consolidated Animal Services Agency:

Pros:

- **Holistic Approach:** Consolidating animal control and shelter functions under a single agency allows for a holistic approach to animal services, integrating enforcement, care, and adoption efforts.
- **Streamlined Operations:** Centralized management streamlines administrative processes, resource allocation, and decision-making, improving efficiency and service coordination.
- **Unified Accountability:** A single agency enhances accountability, transparency, and oversight, simplifying governance structures and improving service quality.

Cons:

- **Scope Creep:** Combining multiple functions within a single agency may lead to mission drift, competing priorities, and difficulties in maintaining focus and effectiveness.
- **Resource Allocation Challenges:** Balancing resources between animal control and shelter functions within a consolidated agency requires careful prioritization and trade-offs, potentially leading to service disparities.
- **Stakeholder Representation:** Ensuring adequate representation and input from diverse stakeholders, including animal advocates, law enforcement, and public health officials, is essential for effective governance and decision-making.

Sincerely,

Mark Viau
Director Weber County Internal Audit



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Clerk/Auditor

5/15/24

Addendum to the Audit report of the Weber County Animal Control/Shelter
RE: A description of how other shelters are structured:

Davis County, Utah	Separate Fund and Dept. (previous Sheriff) Changed over in 2021
Utah County, Utah	Sheriff/Public Safety
Salt Lake County, Utah	Public Works 5 days then release dog to Best Friends etc... They have a fundraising team.
South Utah Valley	Special Service District
Summit County, Utah	Deputy County Manager
Kanab City, Kane County, Utah	Police, after 3-5 day dogs release to Best Friends (donates food) Kane County has no shelter
Washington County, Utah	Does not have a shelter. Subcontracts to Washington City.
Idaho Falls, Idaho	Police Dept.
Denver Animal Shelter, Denver County CO	Denver Department of Public Health & Environment

Mark Viau, “pronounced view”
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