



Highlights

Highlights of OCA-11-024

Why OCA Did This Study

An animal control program is essential to maintaining public health and safety in San Diego. Since the City contracts with the County of San Diego for animal services, the periodic review of this agreement ensures that the County adequately protects the City's human and animal populations as well as provides for a thorough review of the expenditure of millions from the City's General Fund. In accordance with the City Auditor's Fiscal Year 2011 Audit Work Plan, we conducted a performance audit of the Animal Services Agreement between the City and the County. The main objectives of the audit were 1) to determine the extent to which the County and City comply with the contract and 2) to assess the extent to which the contract represents a fair agreement between the County and the City. Our audit focused on oversight and implementation of the agreement in fiscal years 2008 through 2010.

What OCA Recommends

OCA made ten recommendations to improve the implementation and oversight of the Animal Services Agreement, including negotiating changes to key provisions of the contract to end the City's subsidy to the County for Animal Services activity, bringing the Agreement into compliance with the City's General Fund User Fee Policy, and examining the permissibility of low-cost vaccination and microchipping clinics. In addition, we are recommending the City Administration consider requiring the vaccination and registration of all cats in the City to better promote public health and more equitably distribute the burden or paying for the Animal Services Agreement to those who benefit from the service.

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Animal Services Agreement

Unfavorable Contractual Provisions Negatively Impact the City While Opportunities for Operational Enhancements Exist

What OCA Found

The Animal Services Agreement with the County of San Diego (County) costs the City of San Diego (City) approximately \$7.5 million annually. City residents pay another \$1.5 million annually in user fees making the gross annual cost of the contract approximately \$9 million. The contract is implemented by the County's Department of Animal Services and overseen by Police Department's Fiscal Division. The County remits funds to the City for registration and sheltering fees collected from City residents. Animal Services and City staff are focused on animal save rates, service request response time, and customer satisfaction. We found there is significant room for improvement in implementation and oversight of the Agreement.

The Animal Services Agreement contains numerous provisions that are unfavorable to the City. These unfavorable contract provisions cost the City about \$1.9 million from fiscal year 2008 through fiscal year 2010. The first unfavorable provision, the formula that assigns costs to Animal Services' seven contract jurisdictions based on proportional shares of population and service requests, cost the City over \$1.1 million for services provided to the Unincorporated County. The second, a provision that applies the formula to Animal Services' budgeted costs and does not take into account Animal Services' actual expenditures, means that when Animal Services actual expenses are below budgeted expenses, all the savings goes to cover the County's share of animal service cost and is not reimbursed to contract cities. This second provision cost the City about \$750,000 over three years.

Furthermore, we found numerous opportunities for operational enhancements that could improve Animal Services. More specifically, our analysis shows disparity in the ratio of service requests to license activity throughout Animal Services' coverage area. By not conducting geographic analyses, Animal Services is unable to quantitatively identify these at-risk areas, explain why these areas are at-risk, or develop programming to address the wide disparity between these areas and other areas in the Animal Services coverage area. Additionally, given the rising costs of the contract, the City needs to consider strategies to improve its cost recovery rate. To achieve this end, the City needs to engage in more robust contract oversight to ensure adequate performance and make strategic decisions that will improve both public health and cost recovery for the City.

The overall purpose of Animal Services is to provide for the safe interaction of animals with humans and other animals. That purpose goes unfulfilled when Animal Services and the City cannot ensure all companion animals are properly vaccinated. National organizations and local veterinary and animal services professionals believe that vaccinating cats against rabies is important to protecting the health of both the animal and human populations. Beyond improving public health and safety, cat registration also provides an opportunity to more equitably distribute the burden of paying for the Animal Services Agreement to those who benefit from the services.