



FULTON COUNTY

FULTON COUNTY, GEORGIA

OFFICE OF INTERNAL AUDIT

**FULTON COUNTY DEPARTMENT OF ENVIRONMENT
AND COMMUNITY DEVELOPMENT
REVIEW OF BARKING HOUND FOUNDATION ANIMAL
CONTROL SERVICES**

December 21, 2009



FULTON COUNTY OFFICE OF INTERNAL AUDIT
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December 21, 2009

Zachary Williams
County Manager
County Manager's Office
141 Pryor Street
Atlanta, GA 30303

Dear Mr. Williams:

The Internal Audit conducted a review of the Barking Hound Foundation Animal Control Services for Fulton County at the request of Commissioner Darnell. The request was initiated from an employee complaint that was received by the Commissioner. The complaint raised several issues including:

- Contracting of an after hours veterinarian.
- Initiation of an off-site adoption facility.
- Staffing as detailed in the contract.
- Lack of policies and procedures that is required by the contract.
- Customers' checks issued to Barking Hound instead of Fulton County.

Our review focused on these areas of concerns.

Our findings and recommendations are attached to this report.

Sincerely,

A handwritten signature in cursive script that reads "Anthony Nicks".

Anthony Nicks
Director of Internal Audit

Attachment

cc: Roberto Hernandez, Deputy County Manager
Angela Parker, Director of Public Works

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Introduction

At the request of the Fulton County Board of Commissioners', we conducted a review of the operation of the Fulton County Animal Control Services. The review was conducted in response to a complaint by an employee of the Barking Hound Foundation. The Barking Hound Foundation is contracted to perform animal control services for Fulton County.

The contracted services include, but not limited to, overseeing the Fulton County Animal Control Services for code enforcement and assistance, providing the veterinary support services for the center, oversight of the adoption, and disposal/ redemption of animals.

The Barking Hound Foundation is registered with Georgia Secretary of State as a non-profit entity. Barking Hound also has two other for profit, entities that are listed with the State. All of these entities list the same person as the President and CEO and all are engaged in Animal / Pet Care and or Adoptions.

The complaint expressed several concerns about Barking Hound Foundation's operation of the Animal Control Facility at 860 Marietta Boulevard. The areas of concern to Fulton County are listed below:

- Contracting of an after hours veterinarian
- Initiation of an off-site adoption facility
- Staffing as detailed in the contract
- Lack of a policies and procedures manual that is required by the contract
- Customer checks issued to Barking Hound instead of Fulton County which may compromise an audit trail of receipts

Scope and Methodology

The Barking Hound Foundation's contract was signed on July 1, 2008 and was extended through June 30, 2009. The scope of our review covers this time period. The performance of the vendor is measured by the "Schedule of Work" items detailed in article 8 of the contract.

The complaints were compared to the items described in Section 8, (Schedule of Work,) of the contract. The items were determined to be viable or invalid areas of concern based on the prescribed performance requirements in the contract. The complaints were also reviewed with the managers of the Environment and Community Development Department which is charged with oversight of the Barking Hound Foundation contract. Selected documentation was requested and reviewed to determine if the Barking Hound Foundation had adequately met the requirements of the contract during the review period.

Review of Barking Hound Foundation Animal Control Services-Fulton County

The following information was provided to the Fulton County Department of Environment and Community Development by David York, CEO of the Barking Hound Foundation.

- Operations Manual – revised on March 2009
- Employee handbook entitled “Barking Hound Village Foundation/ Fulton County Animal Services”
- Statistical Reports
- Expense ledger
- Transfer to Rescue Report – August 2008 thru July 2009
- Ledger of fee collections and payroll expenses – August 2008 only
- Copies of veterinarian invoices
- Lists of employees and employment information
- IRS letter verifying tax exempt status
- Communication from Secur Chex dated September 21, 2009
- Communication from Georgia Benefit Counselors dated 12/2/2009
- Several responses to numbered questions relating to the email complaint

The Fulton County Finance Department, Treasury Division provided copies and a summary of all unpaid invoices remitted to the Barking Hound Foundation for the recovery of fuel, fleet repair, maintenance, and phone costs.

On December 3, 2009, the Grants and Contract Manager of the Fulton County Health Department was contacted concerning the initial oversight of the Barking Hound Foundation contract. He verified that a copy of the Operations Manual was received within 60 days of the contract signing. The oversight of the contract was subsequently re-assigned to the Fulton County Department of Environment and Community Development.

Summary

The contract calls for an off-site adoption location that has not been established. The proposed facility is designed to make animal adoptions to outlying Fulton County neighborhoods more convenient. The Department of Environment and Community Development was not aware of this contract stipulation or its status.

The review concerning the Barking Hound Foundation should be expanded to include the review of the receipt and fee collections of the Barking Hound Foundation records. The vendor has provided a large amount of documentation to support his position concerning the operation of the 860 Marietta Street facility. After a limited review, it is obvious that the monthly reports have either been disregarded by the Contract Administrator or not submitted. This type of oversight is not in the best interest of the Fulton County Animal Control Services.

The Barking Hound Foundation payroll bank account was set up under Barking Hound Village Foundation, DBA Fulton County Animal Control Service. The vendor contends that the bank has objected to the checks being issued to Fulton County Animal Shelter.

The documentation provided to support this claim was not adequate, further review to substantiate this claim is necessary. There should be adequate documentation which supports the deposit of fees into a separate bank account. This requirement is listed in Article 31, page 14, of the contract.

A review of the Barking Hound Foundation's unpaid invoices for fuel, repairs, and maintenance costs associated with operation of the Fulton County Vehicle Fleet indicates that the Barking Hound Foundation is \$21,273.14 in arrears.

It is evident from this review that a more aggressive strategy of contract oversight is needed to ensure that the Barking Hound Foundation complies fully with its Fulton County contract obligations. Better compliance will improve the operations of the Animal Control Services.

Findings & Recommendations

Finding– 1

In the Barking Hound Foundation contract, Sections 3.3.3 – *REDEMPTION, ADOPTION, DISPOSAL OF ANIMALS* – it is stipulated as follows: “*Adoption only activities shall take place at a separate location once the location has been identified and approved by the Fulton County Board of Commissioners and the Contractor with the County having final approval.*” Communication with Tony Phillips, Code and Enforcement Administrator, indicated that the Barking Hound Foundation has not opened an off-sight adoption facility as of December 1, 2009.

The vendor's non compliance with the contract is due to Fulton County Animal Control Contract Administrator not enforcing the terms of the contract. The County's goal of providing pet adoption opportunities in the outlying areas of Fulton County has not been achieved because of the lack of review and oversight.

Recommendation

The Barking Hound Foundation should immediately begin the process of locating a suitable sight and submit the proposed site to the Department of Environment and Community Development for approval. If the Barking Hound Foundation is not successful in completing this project, the County is within the scope of the contract agreement to withhold payments in the future.

The contract is very clear concerning the County's process of implementing the provisions stipulated in agreement with the Barking Hound Foundation. As stipulated in article 40 of the contract: *The County may withhold payments for services that involve disputed costs, audits, or are otherwise performed in an inadequate fashion.*

Finding – 2

The Barking Hound Foundation contract states in section 3.3.16.2 that data described therein should be accumulated and reported on a monthly basis. We reviewed the information that was provided by the Barking Hound Foundation and Fulton County Department of Environment and Community Development and determined that the following information was missing from some of the reports:

- Location of request for service and action taken
- Calls received listed by municipality
- Cruelty investigations
- Dangerous animals identified
- Categorical listing by line item of expenditures and income as based on contractor's budget

Our review of the June 2009 adoption records revealed that the total animal adoption fees reported were less than the fees which should have been collected. Total billable fees were \$8,400 and total adoptable fees reported for June 2009 were \$6,775. The administrator's failure to adequately monitor the monthly reporting is responsible for the unresolved discrepancy between adoption fees reported and collected.

By monitoring the statistical reporting, fees billed, and receipts collected, the County's will be able to accurately assess the contractor's compliance under the contract.

Recommendation

The Barking Hound Foundation should submit all of the information listed in section 3.3.16.2 of the contract on a monthly basis. The Contract Administrators should review the monthly statistics for accuracy and performance measurement.

Finding- 3

In section 3.3.12.2 of the contract, *Vehicle Maintenance and Repair* and 3.3.12.3 – *Fuel*, the contract states "*The Contractor is responsible for all vehicle maintenance, repairs, and fuel costs.*"

Review of Barking Hound Foundation Animal Control Services-Fulton County

The Barking Hound Foundation is currently four months in arrears in payments to Fulton County for fuel, fleet repairs/ maintenance and phone charges. The total Barking Hound Foundation liability recorded on the Fulton County Treasury Department's billing ledger is \$21,273.14. The Fulton County Finance Department has initiated collections efforts for past due charges.

The vendor's delinquent liability is due to the Contract Administrator's lack of review and oversight. The Fulton County Monthly Payments of \$175,000.00 have been remitted as scheduled.

Recommendation

The Barking Hound Foundation should immediately pay all of the fuel, maintenance and phone charges owed to Fulton County. No additional payments should be made until the Barking Hound Foundation is in compliance with the contract.

