



**A SPECIAL PERFORMANCE AUDIT  
OF THE  
DEPARTMENT OF AGRICULTURE**

*Dog Law Restricted Revenue Account*

**JUNE 2011**

**Bureau of Departmental Audits**

June 27, 2011

The Honorable Tom Corbett  
Governor  
Commonwealth of Pennsylvania  
225 Main Capitol Building  
Harrisburg, PA 17120

Dear Governor Corbett:

This report contains the results of the Department of the Auditor General's special performance audit of the Pennsylvania Department of Agriculture (department). The audit covered the period July 1, 2002 through June 30, 2008, including follow-up procedures concluded as of December 30, 2010. This audit was conducted pursuant to Sections 402 and 403 of The Fiscal Code and in accordance with generally accepted government auditing standards (GAGAS). The aforementioned 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 finding and conclusions based on our audit objectives.

We found that controls need to be improved over the Dog Law Restricted Revenue Account. Disbursements from this account are restricted to Dog Law-related expenditures. Specifically, our auditors found a lack of supporting documentation for \$362,046 of payroll expenditures and \$911,534 of administrative expenditures. Our auditors could not verify these expenditures because inadequate supporting documentation existed to confirm that costs charged to the account were appropriate and reasonable. Moreover, with regard to internal control deficiencies, our auditors determined that there was a lack of written standard operating procedures and a lack of supervisory review.

We offer four recommendations to address identified deficiencies and strengthen the department's policies, controls, and oversight of the Dog Law Restricted Revenue Account.

We will follow up at the appropriate time to determine whether and to what extent the department has implemented our recommendations.

Sincerely,

JACK WAGNER  
Auditor General

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*Department of Agriculture  
Dog Law Restricted Revenue Account*

*Pennsylvania Department of the Auditor General  
Jack Wagner, Auditor General  
June 2011*

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***Results  
In  
Brief***

The Department of the Auditor General conducted a special performance audit of the Pennsylvania Department of Agriculture (department). The audit covered the department's duties and responsibilities with regard to the Dog Law restricted revenue account for the period July 1, 2002 through June 30, 2008, including follow-up procedures concluded as of December 30, 2010. Our audit resulted in a finding, related to overall controls that need to be improved.

**Finding**

We found that controls need to be improved over the Dog Law Restricted Revenue Account. Disbursements from this account are restricted to Dog Law-related expenditures. Specifically, our auditors found a lack of supporting documentation for \$362,046 of payroll expenditures and \$911,534 of administrative expenditures. Our auditors could not verify these expenditures because of a lack of supporting documentation; therefore, auditors could not confirm that costs charged to the account were appropriate and reasonable. Moreover, with regard to internal control deficiencies, our auditors determined that there was a lack of written standard operating procedures and a lack of supervisory review.

We recommend that the department ensure that adequate documentation exists to support payroll costs charged to the Dog Law Account by department employees not affiliated with the Bureau of Dog Law Enforcement and that adequate documentation exists to support general government administrative services charged to the Dog Law Account by the department. Moreover, the agency should develop formal written standard operating procedures for processing disbursements from the Dog Law Account. Finally, the department should ensure that all invoices are reviewed and approved by a supervisor prior to the invoices being submitted to the Comptroller's Office for payment.

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***Background*** Department of Agriculture

The Pennsylvania Department of Agriculture (department) is the principal state agency responsible for the implementation of the Commonwealth's agricultural policies. It provides a range of services to farmers and consumers. Originally established in 1895, today the department affirms a mission that encourages, protects and promotes agriculture and related industries throughout the Commonwealth while providing consumer protection through inspection services that impact the health and financial security of Pennsylvania's citizens.

The department retains cabinet-level status within the executive branch of state government; therefore, the Governor of the Commonwealth appoints the Secretary of Agriculture to administer the department. The Senate of Pennsylvania must confirm the appointment.

The department brings in approximately \$4.7 billion in cash receipts annually from agricultural production. The responsibilities of the department center on the more traditional sectors of Pennsylvania's agricultural industry such as farming, farm products, and affiliated agribusinesses. However, the department also takes an active role in the oversight and administration of non-traditional or atypical agriculture sectors, including important areas such as the enforcement of the Commonwealth's dog laws.

**Dog Law Enforcement**

Through its Bureau of Dog Law Enforcement (bureau), the department is responsible for the administration of various programs mandated by state law. Programs intended to benefit the community and ensure the welfare and humane treatment of dogs include the annual licensing of all dogs over three months of age, the licensing of kennels, investigating complaints relevant to dogs, and enforcing the rabies vaccination law. In addition to the aforementioned programs, the bureau also regulates activities pertaining to dogs that are classified as dangerous.

The bureau is able to fulfill its considerable administrative and enforcement responsibilities through an organizational structure consisting of seven regional offices located throughout the state and individual dog wardens and kennel compliance specialists that cover each of the 67 counties within Pennsylvania. The bureau makes available a Dog Law Complaint Form

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(form) on the website of the department. The form provides the public with an opportunity to identify the location of the complaint by county. A complainant must also specify the type of complaint, placing a check next to one of the options that includes dog bite, dangerous dog, dogs running at large, license or rabies, unlicensed kennel, kennel complaint, or other. Moreover, a complainant must also include specific information on the form such as addresses, names, and dates. For those individuals wishing to speak directly to someone within the bureau or department about dog law issues, the form also provides a telephone number.

- **Dog Law Restricted Account**

The Dog Law Restricted Account is the funding mechanism that enables the bureau to implement and administer the various enforcement programs related to the dog laws of the Commonwealth. The Dog Law Restricted Account derives monies from dog and kennel licenses, as well as fines and penalties resulting from Dog Law violations. In accordance with specific laws, monies disbursed from this account are restricted to Dog Law-related expenditures, including payroll and operating costs for the bureau, and dog control grants. For the fiscal year ended June 30, 2010, restricted revenue and disbursements amounted to \$19.9 million and \$12.8 million, respectively.

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***Objectives,  
Scope, and  
Methodology***

**Objectives**

The objectives of this special performance audit were to:

- Determine whether restricted revenue was properly collected and accounted for in the special restricted accounts in the General Fund and Special Funds as specified by law (no findings); and
- Determine whether disbursements from restricted revenue accounts were made in accordance with law (see Finding).

**Scope**

Our audit covered the Pennsylvania Department of Agriculture's (department) duties and responsibilities with regard to restricted revenue accounts for the period July 1, 2002 through June 30, 2008, including follow-up procedures concluded as of December 30, 2010. Our initial scope included the Dog Law Account, the Breeders' Fund Account, Sire Stakes Fund Account, and Standardbred Breeders' Fund Account. However, this audit report will focus only on our conclusions of the Dog Law Account.

The horse racing account scope and procedures will be expanded and will be reported in a separate audit report to be released at a future date.

**Methodology**

The methodology in support of the audit objectives included:

- Reviewing appropriate statutes, regulations, policies, and related information from the department's website;
- Interviewing and corresponding with the department's management and staff to assess controls and gain an understanding of policies and procedures used in collecting and accounting for revenue and making disbursements from the Dog Law account;
- Performing data analysis of revenue and expenditure data files;

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*Objectives, Scope, and Methodology*

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- Sampling receipts and disbursements from the restricted revenue account for detail testing;
- Reviewing revenue documentation to verify whether it was properly collected and accounted for in special revenue accounts and to evaluate management controls; and
- Reviewing expenditure documentation to verify whether disbursements were made in accordance with law and department policies and to evaluate management controls.

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***Finding***      ***Controls Need to be Improved Over the Dog Law Account***

The department's Bureau of Dog Law Enforcement (bureau) is responsible for administering several programs, including dog licensing, kennel licensing and inspections, and dog control grants that are issued to non-profit entities to prevent cruelty to animals. The bureau and these programs are funded solely through revenue collected from dog and kennel licenses, as well as fines and penalties resulting from Dog Law violations. These receipts are recorded in the Dog Law Restricted Revenue Account (Dog Law Account). Disbursements from this account are restricted to Dog Law-related expenditures, including payroll and operating costs, and dog control grants.

The focus of our audit was to determine whether the receipts and disbursements flowing through this account were proper and in accordance with law. To accomplish our objective, we conducted various interviews and performed appropriate procedures. We found expenditures that lacked supporting documentation charged to the Dog Law Account, as well as internal control deficiencies as described below:

**Internal Control Deficiencies**

- **Lack of supporting documentation**

Our review of expenditures disclosed that the Pennsylvania Department of Agriculture (department) is not adequately documenting charges to the Dog Law Account. For example, of the Dog Law Account expenditures totaling \$7.8 million for the fiscal year ended June 30, 2008, payroll costs were \$4.6 million (59 percent). Of the \$4.6 million in payroll costs, we found that \$362,046 represented payroll for two attorneys, an information technology supervisor, and a microbiologist, none of whom worked in the bureau. In addition, one of the Dog Law Account transactions that we tested included a disbursement for non-payroll, general government administrative services totaling \$911,534. Inadequate documentation was provided to substantiate whether the amounts charged to the Dog Law account for these services were proper, reasonable, and in compliance with law. Adequate documentation must be written and retained to substantiate whether related cost for services was properly rendered and charged to the Dog Law Account.

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*Finding*

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- **Lack of written standard operating procedures**

When we requested written standard operating procedures for processing disbursements from the Dog Law Account, the department provided only informal notes that the former administrative officer gave to the current administrative officer upon retirement. Although the department did not have written standard operating procedures for processing disbursements, department management agreed that formal standard operating procedures should be developed.

Standard operating procedures should be developed by management to ensure that procedures are performed properly, timely, and consistently. Not only will this ensure that the procedures are being performed as intended, it will also provide a framework if individuals leave employment or must take leave, and someone else needs to perform these duties.

- **Lack of Supervisory Review**

As part of our audit, we tested 11 non-payroll disbursements totaling \$1,288,661 from the July 1, 2007 to June 30, 2008 fiscal year and found that six totaling \$260,334 were not approved by a supervisor. The administrative officer processed and approved the six invoices for payment and submission to the Comptroller's Office without obtaining supervisory approval.

An adequate internal control system would include a supervisor to review and approve, via signature, all invoices to ensure the payments are accurate, proper, and appropriate. Failure to have adequate supervisor review increases the risk that inaccurate or improper expenditures may be occurring.

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***Finding***

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**Recommendations:** We recommend that the department:

1. Ensure that adequate documentation exists to support payroll costs charged to the Dog Law Account by non-bureau department employees;
2. Ensure that adequate documentation exists to support general government administrative services charged to the Dog Law Account by the department;
3. Develop formal written standard operating procedures for processing disbursements from the Dog Law Account; and
4. Ensure that all invoices are reviewed and approved by a supervisor prior to the invoices being submitted to the Comptroller's Office for payment.

**Agency Response:** Note: Below is our summary of the department's response. See page 11 for the department's complete set of responses which relate to the Dog Law Account.

The department disagreed with our first recommendation and believes that it has appropriately charged Dog Law-related expenditures to the Dog Law Account. The department believes that the documentation provided to the auditors is sufficient to justify the payroll charges during the audit period. In addition, the department expressed disagreement with our second recommendation and it believes sufficient documentation exists to support the appropriateness of the payment from the Dog Law Account to general government operations. The department concurs with our third recommendation that standard operating procedures for processing disbursements from the Dog Law Account should be formalized.

Additionally, the department disagreed with our fourth recommendation and believes that it has appropriate processes in place to ensure that invoices are reviewed and submitted in accordance with applicable laws. For example, the department believes that for two of the six cases noted, because a grant agreement has been reviewed and signed by various levels of management, there is adequate supervisory review over the related expenditures. In a third case, the department believes that there was adequate supervisory review because a clerical employee within the Bureau of Dog Law Enforcement initiated the request to purchase dog tags and advanced this request to a purchasing agent outside of Dog Law who then prepared a purchase order. The clerical employee within Dog Law then received the dog tags.

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***Finding***

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**Auditors' Conclusion:** We disagree with the department that adequate supporting documentation exists to justify costs charged to the Dog Law Account. In order to ensure that costs are appropriate and in accordance with the law, adequate supporting documentation is critical. Department management acknowledged that while the four job positions in question worked predominately on Dog Law activities, they might also have worked on job assignments outside of Dog Law. Timesheets were not prepared for these four positions. Additionally, the department could not provide job descriptions for one attorney and the information technology supervisor in question, but instead could only describe some of the duties in an informal e-mail to the auditors. Therefore, it is unknown how many hours were worked on projects not related to Dog Law and how much of the \$362,046 of payroll costs should not have been charged to the Dog Law account and we conclude that there is not adequate documentation to support these charges to the Dog Law account.

Additionally, we disagree with the department that sufficient documentation exists to support the appropriateness of the \$911,534 general government administrative costs charged to the Dog Law Account. The documentation provided by the department included only spreadsheets of estimated general administrative services that were determined by the department to be charged to the Dog Law Account. Inadequate documentation was provided to substantiate whether the amounts charged for these services were proper, reasonable, and in accordance with law. In order to ensure that administrative costs are properly allocated and appropriately charged to restricted accounts, department management should understand its cost allocation methodology and formally document this methodology. Without a proper understanding of why and how costs are being allocated, costs may be charged to restricted accounts that are not proper and in accordance with respective law and regulation.

We are pleased with the department's concurrence with our third recommendation to develop formal written standard operating procedures for processing disbursements from the Dog Law Account.

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***Finding No. 1***

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We disagree that the department had adequate supervisory review and approval prior to the invoices being submitted to the Comptroller's Office for payment. With regard to the two expenditures related to grant agreements, review and approval occurred at the time that the contract was awarded. However, there was no supervisory review and approval of the expenditure invoices that were submitted by the non-profit organizations and paid by the department. In fact, the department acknowledged that there is only one individual responsible for reviewing and approving the invoices submitted by the non-profit organizations.

Finally, with regard to the third expenditure in the department's response related to other specialized services for the purchase of dog tags, the department stated that it was baffled as to what additional layer of supervisory review would be necessary. The department's position is that there was adequate supervisory review of this expenditure due to the fact that a clerical employee within the Bureau of Dog Law Enforcement initiated the request to purchase dog tags and advanced this request to a purchasing agent outside of Dog Law who then prepared a purchase order. We disagree. There was no supervisory review within the Bureau of Dog Law Enforcement of the dog tag purchase request initiated by the clerical employee to ensure that the dog tag purchase was accurate and appropriate including the number and type of tags being ordered. While the purchasing agent does provide a level of review, it does not substitute for review by a supervisor with intimate knowledge of the processes within the Bureau of Dog Law Enforcement. The supervisory review within Dog Law should occur prior to submitting the request to the purchasing agent.

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***Auditors’  
Summary and  
Agency  
Response***

What follows on subsequent pages is a set of responses from the Department of Agriculture (department) to our finding and recommendations. The department’s responses appear in two sections as they relate to our finding regarding the Dog Law Account because the agency submitted two dissimilar sets of responses on two separate occasions. We did not include the portion of the department’s responses related to horse racing activities since audit procedures in this area will be expanded and these issues will be included in a separate future audit report.

The department submitted its first set of responses to our finding and recommendations on November 8, 2010. Department management expressed certain concerns which we addressed by revising this report.

Additionally, the department submitted a second set of responses subsequent to an exit conference which was conducted on November 9, 2010 between department management and our auditors. Management provided its second set of responses, dated November 15, 2010, after it reviewed information provided by our auditors at the meeting. As part of its response, management provided additional supporting documentation to dispute various weaknesses reported in the audit finding. Consequently, our auditors evaluated the additional documentation and made appropriate adjustments to the audit report, including revising the title of Finding No. 1 and removing an original recommendation.

We are confident that the recommendations that resulted from our finding, if fully implemented by management, will strengthen the department’s policies, controls, and oversight of certain restricted fund accounts. Moreover, with the implementation of our recommendations, the taxpayers of Pennsylvania can have a sense of reassurance that the agency is adequately scrutinizing and administering this restricted fund account.

## Department of Agriculture's Response to Draft Audit Report

The department's response was submitted by the former Secretary of Agriculture Russell C. Redding, in a letter dated November 8, 2010. Relevant comments as it relates to the revised Dog Law Account finding are reproduced below:

### **Finding One – Questionable Expenditures of \$1.2 Million and Internal Control Weaknesses Found Regarding the Dog Law Account**

- **\$362,046 of questionable payroll expenditures**

**RESPONSE:** We take issue with this finding. As referenced in your findings, “Disbursements from this account are restricted to Dog Law-related expenditures, including payroll and operating costs, and dog control grants.” You regard payroll costs for two attorneys, an information technology supervisor, and a microbiologist as questionable because they were not assigned to the Bureau of Dog Law Enforcement.

- No Bureau or Commission within the Department of Agriculture has assigned attorneys within their organizational structures. These highly-specialized professionals report to through their own chain of command to the Department of Agriculture's Chief Counsel and thru to the Governor's Office of General Counsel.
- During the audit period of July 1, 2002 through June 30, 2008 the Department was undertaking a massive statutory overhaul of Pennsylvania's Dog Law and a similarly massive set of proposed Dog Law regulatory changes. One of the two attorneys' salaries you question was solely responsible for all aspects of the rewrite and promulgation process, as well as general legal counsel to the Bureau of Dog Law Enforcement. The changes generated 16,000 public comments and pages of recommendations from the Independent Regulatory Review Committee (IRRC). This attorney also served as lead attorney on Dog Law regulation process and provided legal counsel to agency staff and the Secretary on dog law issues.
- The second attorney whose salary you questioned was the first “Special Prosecutor for Dog Law” – a position created by Governor Rendell to specifically address his concerns regarding Pennsylvania's reputation as the “puppy mill capital of the east.” The incumbent was devoted full-time to representing the Bureau of Dog Law Enforcement and its enforcement and prosecutorial functions.
- No Bureau or Commission within the Department of Agriculture has assigned information technology professionals within their organizational structures. These highly-specialized professionals report to through their own chain of command to the Department of Agriculture's Chief Information Officer and thru to the Governor's Office of Administration Office of Information Technology.

## Department of Agriculture's Response to Draft Audit Report

- The information technology position you question as being related to dog law functions was in fact responsible for developing kennel and individual dog licensing applications. He was information technology project manager for the PADogs software, the online dog license sales project, and website development and updates. Online communications, with the associated website development and updates, are an absolutely critical component of supporting the Bureau of Dog Law Enforcement and its mission.
- The microbiologist position you questioned was fully responsible for rabies education and testing at the Pennsylvania Veterinary Laboratory. Rabies vaccination and enforcement program is vested with the Department of Agriculture and by statute, for domestic animals (including dogs and cats) expended from the "Dog Fund." (Refer to Title 3 P.S. Agriculture Chapter 7A Rabies Prevention and Control in Domestic Animals and Wildlife Act 455.7. "Testing – All testing and other necessary or appropriate rabies control conducted upon rabid or suspected rabid animals appropriate to protect human life and safety shall be conducted free of charge at State laboratories or other facilities designated by the secretary.")
- Information regarding the assigned duties and responsibilities of these two attorneys, information technology professional, and microbiologist were provided to you on February 5, 2010. We believe the information we provided includes sufficient justification for allocating these Dog Law-related payroll costs to the Dog Law Account.

- **\$911,534 of questionable administrative expenditures**

We also take issue with this finding. The \$911,534 reimbursement to General Government Operations for administrative services covers one fiscal year, FY07-08.

- On an annual basis, the Bureau of Administrative Services reviews the previous fiscal year's expenses for the Executive Office and shared service functions/organizations (such as budget, purchasing, fiscal, mail, physical plant and related services, fleet management, human resources, legislative and policy development, etc.). Based on actual expenditures from each Appropriated Fund with significant authorized complement, we estimate the amount of administrative services expenditures to be proportionally "billed" to each fund. Typically, adjustments are made based upon special projects that place a larger burden on the Executive Office and shared service organizations. These calculations and the justification for billing the Dog Law Fund \$911,534 were provided to you on February 5, 2010.

## Department of Agriculture's Response to Draft Audit Report

- In FY 2007-08 it might have been appropriate to entirely bill our Legislative Liaison to the Dog Law Account. The Governor's initiatives to improve living conditions for dogs, specifically in commercial kennels, throughout the Commonwealth created a significant new workload for our Legislative Liaison, Chief Counsel, Administrative Services and Human Resource Directors, and Secretary as they sought to rewrite the law and regulations, obtain legislative support for the initiatives, respond to public comments, create and fill new positions, purchase the equipment needed for a new Kennel Compliance Team, and ensure appropriate administration of the Dog Law Account.
- **Lack of written standard operating procedures**

We concur with your finding that standard operating procedures for processing disbursements from the Dog law Account should be formalized. The notes that were passed from one administrative officer with the Bureau of Dog Law Enforcement to the next, upon her retirement, would serve as the basis for these written standard operating procedures. We believe that those notes reflected proper procedures.

- **Lack of Supervisory Review**

The 11 non-payroll disbursement test items totaling \$1,288,661 from the July 1, 2007 to June 30, 2008 fiscal year appears to include the \$911,534 administrative reimbursement to general government operations. Without further information from you regarding which test items you found with insufficient supervisory review, it is difficult to respond to this finding. Some of the test items included approved shopping carts processed through our Contracts and Procurement Division, Voyager billing generated by the Department of General Services based upon the assignment of vehicles and interagency transfer requests signed by executive staff. We believe that several of these processes and charges processed through SAP provide sufficient review to demonstrate that accurate and proper expenditures are occurring.

### **RESPONSE to Recommendations:**

1. ***Request reimbursement of \$1,273,580 to the Dog Law Account due to inappropriately charging payroll and general government administrative costs***

We disagree that payroll charges and administrative costs were inappropriate and therefore, will not reimburse the Dog Law Account the identified \$1,273,580.

2. ***Ensure that adequate documentation exists to support payroll costs charged to the Dog Law Account by non-bureau department employees***

We find no statute or regulation requiring documentation to support \$362,046 payroll costs charged to the Dog Law Account by non-bureau department employees; we believe we have appropriately charged Dog Law-related expenditures to the Dog Law Account. We believe the position descriptions and information provided to you on February 5, 2010 are sufficient to justify these charges during the audit period.

## Department of Agriculture's Response to Draft Audit Report

3. ***Ensure that adequate documentation exists to support general government administrative services charged to the Dog Law Account by the department***

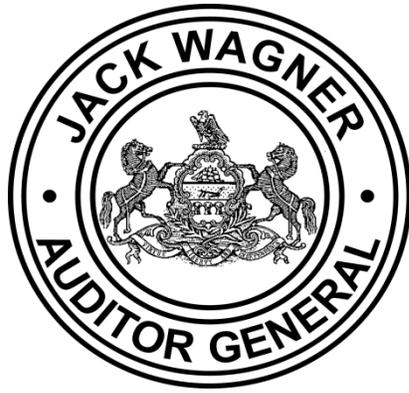
We believe sufficient documentation exists to support the appropriateness of the \$911,534 payment from the Dog Law Account to general government operations.

4. ***Develop formal written standard operating procedures for processing disbursements from the Dog Law Account***

We concur with your finding that standard operating procedures for processing disbursements from the Dog Law Account should be formalized. Notes from the previous administrative officer within the Bureau of Dog Law Enforcement, regarding payment processing, will be formalized for the purposes of transition and transparency.

5. ***Ensure that all invoices are reviewed and approved by a supervisor prior to the invoices being submitted to the Comptroller's Office for payment.***

We believe there are appropriate processes in place to ensure that invoices are reviewed and submitted in accordance with applicable laws and regulations. Without the ability to identify and review the specific test items with which you have concerns, we are unable to review where procedures might not have been followed or where we might improve processing.



## Department of Agriculture's Second Response to Draft Audit Report

The department's second response was submitted by the former Secretary of Agriculture Russell C. Redding, in a letter dated November 15, 2010. The department's response to the Dog Law Account finding is reproduced below:

### **Finding One – Questionable Expenditures of \$1.2 Million and Internal Control Weaknesses Found Regarding the Dog Law Account**

- **Lack of Supervisory Review**

Eleven (11) non-payroll disbursements from July 1, 2007 to June 30, 2008 constituted the test items, upon which you based your findings. Upon our review of the six (6) test items in question, we provide further information on Document Numbers 1901984954, 1902071339, and 5101287309.

- **Document Number 1901984954 – Non Profit (Grant) expenditure of \$38,564.15.**  
On December 18, 2007 the Pennsylvania Department of Agriculture and Animal Rescue League of Berks County, Inc. entered into ME# 446744-01. The fully executed agreement, reviewed and signed by four representatives of the Berks County organizations, Secretary of Agriculture, Department of Agriculture's Chief Counsel, Office of General Counsel, Office of Attorney General, and the Comptroller, is attached to this response. The agreement includes explicit detail on how PDA will reimburse the Animal Rescue League (ARL) of Berks County, Inc. for dog control activities. This agreement represents the Department's commitment to paying for dog control services and efforts carried out by the ARL of Berks County, Inc. When the Executive Director of ARL submitted the report of dog control activities along with the detailed invoice of expenses, the Department's documents show the administrative officer highlighted relevant portions of the agreement, wrote notes on the agreement, and calculated the amount due to ARL of Berks County. While we agree that the only signature on the General Invoice from the Department of Agriculture to the Comptroller is that of the previous administrative officer for the Bureau of Dog Law Enforcement and not that of her and her supervisor, we submit that there is certainly sufficient evidence of adequate internal controls and proper documentation of expenditures.
- **Document Number 1902071339 – Non Profit (Grant) expenditure of \$35,884.00**  
On December 18, 2007 the Pennsylvania Department of Agriculture and Crawford County Humane Society Inc. entered into ME# 446746. The fully executed agreement, reviewed and signed by two representatives of the Crawford County Humane Society, Secretary of Agriculture, Department of Agriculture's Chief Counsel, Office of General Counsel, Office of Attorney General, and the Comptroller, is attached to this response. The agreement includes explicit detail on how PDA will reimburse the Crawford County Humane Society, Inc. (CCHS) for dog control activities. This agreement represents the Department's commitment to paying for dog control services and efforts carried out by CCHS. When the President of CCHS submitted the report of dog control activities along with the detailed invoice of expenses, the Department's documents show the administrative officer highlighted relevant portions of the agreement, verified dog license revenue for the County for calendar year 2007, and calculated the amount due to CCHS. While we agree that the only signature on the General Invoice from the Department of

## Department of Agriculture's Second Response to Draft Audit Report

Agriculture to the Comptroller is that of the previous administrative officer for the Bureau of Dog Law Enforcement and not that of her and her supervisor, we submit that there is certainly sufficient evidence of adequate internal controls and proper documentation of expenditures.

- **Document Number 5101287309 – other specialized services (Accrued Payables) expenditure of \$35,363.09**

We believe the inclusion of this test item in your findings for the Dog Law Account is in error. As provided in our document response on January 20, 2010, the test item in question represents a fully executed purchase order (Purchase Order No: 4300021208) placed by PDA Purchasing Agent Alison Hoke-Fitts to Supplier Hasco International Inc., whose SAP Vendor Number is 169397. We are again providing the supporting documentation for your review. We believe the printout of the Shopping Cart request (Shopping cart Number 10182295) initiated by Ms. Hedy Logan, a Clerk Typist 2 with the Bureau of Dog Law Enforcement at the time, which details the items and quantity of each requested, sufficiently documents the expenditure. The shopping cart request was advanced to the Purchasing Agent thru SAP, fully in compliance with the Commonwealth's procurement process. The Purchasing Agent purchased the items in question and the goods were received by Bureau clerical employees. We are baffled as to what additional layer of supervisory review would be required in order for you to conclude the review was sufficient and the expenditure was appropriately documented.

We believe that in these instances of dog control agreement processing and purchasing materials through the standard SAP shopping cart method, the conclusions you have made are simply inaccurate. We believe that we have provided sufficient evidence to demonstrate that accurate and proper expenditures are occurring from the Dog Law Account, with appropriate review.

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Jack Wagner, Auditor General  
June 2011*

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***Distribution List***

The Honorable Tom Corbett  
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