



STAFF REPORT ACTION REQUIRED

Toronto Animal Services: Final Response to Auditor General Recommendations

Date:	January 21, 2013
To:	Licensing and Standards Committee
From:	Executive Director, Municipal Licensing and Standards
Wards:	All
Reference Number:	P:\2013\Cluster B\MLS\LS13003

SUMMARY

The purpose of this report is to update the Licensing and Standards Committee regarding the final three recommendations outlined in the Auditor General's (AG) 2011 report, *Toronto Animal Services – Licence Compliance Targets Need to be More Aggressive*.

Eleven recommendations were put forward by the AG to the Audit Committee in November, 2011; a report detailing the implementation of eight of the eleven recommendations was received by the Licensing and Standards Committee at its May, 2012 meeting.

This report provides the final reporting on the last three recommendations and comprises the Pet Licensing and Marketing Strategy. The report recommends that Council provide the Executive Director of Municipal Licensing and Standards the authority to enter into financial/partnership agreements with external partners to facilitate adoptions and licensing of animals.

The Legal Services Division was consulted in the preparation of this report.

RECOMMENDATIONS

The Executive Director, Municipal Licensing and Standards recommends that:

1. City Council authorize the Executive Director, Municipal Licensing and Standards, to enter into financial/partnership agreements with third party partners (including pet shops and veterinary offices) for the purpose of providing such third party partners with a commission fee for: (a) facilitating the adoption of animals obtained from City of Toronto shelters and (b) administering the sale of pet licenses; and
2. City Council direct the City Solicitor to prepare the necessary bill(s) as may be required to give effect to the recommendation in this report.

Financial Impact

The funding associated with the implementation of the rewards program, item 2 on the List of Audit Report Recommendations has been allocated within the 2013 Approved Operating Budget for Municipal Licensing and Standards, under Advertising and Promotion, cost element 4414. For 2013, the estimated cost is \$23,000. The rewards program will provide service and discount related incentives to pet owners that license their pets.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

The Auditor General undertook a review of Toronto Animal Services as part of his 2010 work plan. The report, *Toronto Animal Services - Licence Compliance Targets Need to be More Aggressive*, was considered at the November 22, 2011 Audit Committee meeting and adopted.

At the February 6 and 7, 2012 City Council meeting, the AG's report was referred to the Licensing & Standards Committee, directing the Executive Director, Municipal Licensing and Standards (ML&S) to submit a report on the recommendations within the context of the Animal Services Program Review.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2011.AU5.3>

The Licensing and Standards Committee, at its May 24, 2012 meeting received the report, *Toronto Animal Services – Licence Compliance Targets Need to be More Aggressive: Audit Committee Item 5*. This report also addressed the potential service efficiency opportunities identified by the Licensing and Standards Committee during the Core Service Review (CSR) as well as Council's additional request for updates on the electronic renewal of applications, donations portal and TAS' marketing strategy.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.LS13.2>

ISSUE BACKGROUND

In 2010, the Auditor General began a comprehensive review of Animal Services to assess the effectiveness of certain administrative practices, with an emphasis on the processes relating to animal licensing.

The Auditor General, upon completion of his review in 2011, identified 11 areas of opportunities for increased efficiencies and service delivery within Animal Services. Table 1 summarizes the implementation status of these recommendations.

Table 1: List of Audit Report Recommendations and Status in the May 2012 Report

Recommendation	Status	Comments
1. Establishment of aggressive licence compliance targets for 2012 and onwards	Outstanding	Licensing compliance targets established as part of the 2013 budget cycle
2. Review best practices and evaluate options to increase compliance rates for pet licensing, including a pet rewards incentive program	Outstanding	Pet rewards incentive program; targeted launch in Spring 2013
3. Review options to expand animal licence sales city-wide, including partnerships and agreements with partners	Outstanding	Authority to enter into agreements included in this report
4. Formalize a plan to provide animal adoptions through partnerships	Implemented	Partially implemented as of May 2012. Authority to enter into agreements included in this report
5. Develop additional performance measures	Implemented	Successfully implemented January 2012
6. Expedite implementation of TAS Electronic Communications Capital Project	Implemented	First phase implemented in fall of 2012 with final roll out April 2013
7. Expedite expansion of 311 services to TAS	Implemented	Successfully implemented in September 2012
8. Complete controlled substance registry and replace with an automated system	Implemented	Successfully implemented February 2011
9. Review current practice of pick-up of dead animals in context of city-wide process	Implemented	Successfully implemented September 2011
10. Evaluate changes in shift schedules to reduce overtime	Implemented	Successfully implemented September 2011
11. City Manager to ensure that audit recommendations are implemented and follow-up audits conducted annually	Implemented	Successfully implemented 2011 and annual audits conducted

COMMENTS

Toronto Animal Services embraced the opportunity to realize improvements to enhance the City's commitment to the promotion of responsible pet ownership and the expansion of partnerships to achieve greater accessibility to adoptions and licensing. An internal program review was conducted in response to the Auditor General's recommendations, and the potential efficiencies identified in the Core Service Review. The outstanding recommendations, comprising the Pet Licensing and Marketing Strategy are detailed below.

AG Recommendation 1: Establishment of aggressive licence compliance targets for 2012 and onwards

Pet licensing fees are used to fund various services and programs that support responsible pet ownership and to ensure the health and protection of all animals. Examples include emergency response to sick and injured animals, protective care to pets when necessary, spay and neuter surgery, acceptance of surrendered pets at municipal shelters, ensuring that lost pets are returned home quickly and safely, enforcement of the Animals By-law, and administration of the licensing program.

The Audit Report recommended more aggressive licensing targets for 2012 and onwards. Animal Services evaluated current licensing compliance rates and established licensing revenues which are attainable for 2013.

Table 1: Licensing Actuals and Projected Targets

	2012 Budget	2012 (Jan – Dec 15) Actual	2013 Projected
Dog Tags	64,835	53,905	61,868
Cat Tags	32,762	26,104	30,632
Revenue	\$ 2,273,102.00	\$ 1,842,140.00	\$ 2,185,007.00

The key components of the licensing strategy include expanding accessibility to licences through external partnerships and the launch of a pet rewards program.

AG Recommendation 2 and 3: Review best practices and evaluate options to increase compliance rates for pet licensing, including a pet rewards incentive program" and Review options to expand animal licence sales city-wide, including partnerships and agreements with partners

In 2012, TAS expanded animal licensing opportunities with the Animal Services' Chip Truck, a mobile microchip and licensing vehicle to promote licensing and identification for dogs and cats. This initiative has supported our outreach efforts, and by the Fall of 2012 four microchip clinics were completed, resulting in over 320 animals licensed and micro-chipped.

Animal Services has 28 partnerships/agreements across the City of Toronto with pet supply stores, veterinarians and the Toronto Humane Society to expand access to licensing services. These partnerships were informal agreements and remuneration for services was discretionary.

TAS intends to seek further partnerships across the city with pet supply stores, veterinarians and the Toronto Humane Society to support increased adoption and licensing opportunities, the Auditor General advised TAS to seek authority from Council to enter into formal agreements with various partners, to ensure an established and transparent process.

Reward programs and strategic partnerships can assist in achieving increased licensing compliance rates for dogs and cats. Such programs have been successful in increasing licensing rates in other cities in Canada by providing tangible benefits to pet owners for licensing their pets.

Animal Services has established the framework for a rewards program which focuses on promoting pet products and pet service-related partnerships, such as food, accessories, grooming and health services. By presenting the card at any of the identified partner vendors, pet owners can easily recover the cost of licensing their pet(s) through discounts on products and services.

Toronto's pet rewards program will be launched in the spring of 2013. Unlike the Livegreen Toronto Rewards program, the Animal Services' rewards program will be exclusive to pet licensees.

Building on these successes, TAS intends in 2013 to fulfill its Pet Licensing and Marketing Strategy by expanding its outreach with the Chip Truck, pursuing and enabling new partnerships, launching the rewards card, and developing education programs for the public.

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SIGNATURE

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