



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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February 17, 2022

TO: Marcia Mayeda, Director
Department of Animal Care and Control

FROM: Robert G. Campbell, Chief
Office of County Investigations

SUBJECT: **DEPARTMENT OF ANIMAL CARE AND CONTROL – IMPROVEMENT OPPORTUNITIES NOTED DURING LIMITED REVIEW (REPORT #IOR-2018-14064) - FIRST FOLLOW-UP REVIEW**

We completed a follow-up review of the Department of Animal Care and Control (DACC or Department) Improvement Opportunities Report dated January 23, 2020 (Report #IOR-2018-14064). As summarized in Table 1, DACC should fully implement the recommendations to strengthen its internal controls over animal adoptions by employees.

Table 1 - Results of First Follow-up Review

PRIORITY RANKINGS	TOTAL RECOS	RECOMMENDATION IMPLEMENTATION STATUS		
		FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED
PRIORITY 1	0	0	0	0
PRIORITY 2	2	0	1	1
PRIORITY 3	1	0	0	1
TOTAL	3	0	1	2
			3	

For details of our review and the Department’s response see Attachment I. We will follow-up and report back on the outstanding Priority 2 recommendations. The outstanding Priority 3 recommendation is exempt from subsequent follow-up reviews in accordance with our standard procedures.

We thank DACC management and staff for their cooperation and assistance during our review. If you have any questions please contact me at (213) 893-0058 or at rcampbell@auditor.lacounty.gov, or your staff may contact Supervising Investigator Tim Takara at (213) 893-0918 or at ttakara@auditor.lacounty.gov.

RGC:AMS:tt
Attachment

c: Arlene Barrera, Auditor-Controller
Audit Committee
Audit Division

LOS ANGELES COUNTY AUDITOR-CONTROLLER

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Office of County Investigations

Report #F1-2018-14064

DEPARTMENT OF ANIMAL CARE AND CONTROL IMPROVEMENT OPPORTUNITIES NOTED DURING LIMITED REVIEW (#IOR-2018-14064) FIRST FOLLOW-UP REVIEW

RECOMMENDATION	A-C COMMENTS
<p>1 Priority 2 – Department of Animal Care and Control (DACC or Department) management should:</p> <p>a) Remind employees of the process for determining the adoption price of employee-adopted animals and implement controls to verify that staff adhere to the policy.</p> <p>b) Codify objective criteria for establishing and documenting the value of exotic animals offered for adoption, such as through independently verifiable price quotes.</p> <p>Original Issue/Impact: DACC did not obtain sufficient or independently verifiable documentation of the value of an exotic animal that was adopted by a DACC employee. The adopting employee provided online price references, several from other countries not denominated in U.S. dollars, in recommending an adoption price of \$300. DACC management subsequently relied on the employee-provided quotes to approve the adoption and price. Based on our research, similar animals have a retail value of \$2,000.</p> <p>By not independently establishing a market value for desirable and exotic animals based on local and verifiable price quotes, DACC may not collect all of the revenue it should from such adoptions. Accepting insufficiently documented quotes also increases the risk that employees might adopt desirable animals at a lower cost than the general public. This practice may deprive the County of revenue and disadvantage members of the public who, lacking the employee's insider access, are unable to fairly compete to adopt the animal.</p> <p>In this case, reliance on insufficient price quotes resulted in a loss to the Department of approximately \$700 based on the price (\$1,000) set in Chameleon (DACC's animal case management system) and the</p>	<p>Recommendation Status: Partially Implemented</p> <p>a) DACC management provided us with an e-mail dated February 4, 2020 and attached memo dated January 31, 2020, verifying that management reminded all DACC staff that the adoption price of any animal will always be the same for an employee as it is for a member of the public. However, DACC has not implemented controls to verify that staff adhere to the policy.</p> <p>b) DACC management indicated that COVID-19 necessitated significant changes to Department operations and policies, and that resources were redirected to staff training and other priorities, which impacted their ability to implement this recommendation.</p> <p>DACC indicated their commitment to addressing this issue in their policies and anticipates fully implementing this recommendation by May 2022.</p>

Priority Ranking: Recommendations are ranked from Priority 1 to 3 based on the potential seriousness and likelihood of negative impact on the Agency's operations if corrective action is not taken.

	RECOMMENDATION	A-C COMMENTS
	<p>adoption price (\$300) paid by the adopting employee. DACC set the price at \$1,000 based on their official fee schedule which states that the adoption price of the animal in question shall be 50% of the purchase price (\$2,000) in the retail pet market.</p>	
<p>2</p>	<p>Priority 2 – DACC management should clarify fostering and adoptions policies to address potential conflicts and inconsistencies, and to ensure members of the public are not disadvantaged relative to DACC employees – particularly with respect to exotic and desirable animals or animals that were fostered by DACC staff.</p> <p>Original Issue/Impact: A DACC employee took an exotic and desirable animal for fostering the same day it arrived at a shelter and later adopted the animal at a significant discount to its market value, even though at least five members of the public expressed interest in adopting the animal via DACC’s website.</p> <p>DACC management told us that members of the public have priority over employees for animal adoptions. However, it does not appear this is codified in a formal policy.</p> <p>By virtue of their positions, DACC employees have first access to exotic and desirable animals that enter the shelter. By immediately fostering those animals, employees effectively gain preference to later adopt them. This creates the appearance that employees have an advantage over members of the public in accessing and adopting exotic and desirable animals and may discourage the public from looking to County shelters to adopt pets.</p>	<p>Recommendation Status: Not Implemented</p> <p>DACC management indicated that COVID-19 necessitated significant changes to Department operations and policies, and that resources were redirected to other priorities, impacting their ability to implement this recommendation. DACC indicated the changes included how incoming animals are processed and who gets preference in fostering animals. Under the prior operating model of “Open Admission”, DACC care centers generally accepted any surrendered animal. Under the new operating model of “Managed Intake”, DACC offers residents the opportunity to foster animals first, thus giving preference to the public.</p> <p>DACC indicated their commitment to addressing this issue in their policies and anticipates fully implementing this recommendation by May 2022.</p>

	RECOMMENDATION	A-C COMMENTS
3	<p>Priority 3 – DACC management should develop controls to identify customers, including employees, who adopt a large number of animals to allow the department to follow-up to determine if the animals are being resold, or adopted into circumstances, which might be inappropriate or unhealthy for them (such as hoarding).</p> <p>Original Issue/Impact: During our limited review, we noted a former DACC employee and her spouse adopted 59 animals over a 16-year period.</p> <p>A high volume of adoptions is a red flag that the involved parties may be reselling adopted animals or engaging in other questionable or inappropriate activities.</p>	<p>Recommendation Status: Not Implemented</p> <p>DACC management indicated that they have a practice of staff researching an adopter’s previous pet adoption(s) and currently licensed animals to ensure the adopter’s household is in compliance with local ordinances regarding the number of animals in a dwelling. The Department plans to codify this practice into an operating policy (DACC OPG100), but this has been delayed due to COVID-19.</p> <p>DACC indicated their commitment to addressing this issue and anticipates fully implementing this recommendation by May 2022.</p>

We conducted our review in conformance with the International Standards for the Professional Practice of Internal Auditing. For more information on our auditing process, including recommendation priority rankings, the follow-up process, and management’s responsibility for internal controls, visit auditor.lacounty.gov/audit-process-information.

Priority Ranking: Recommendations are ranked from Priority 1 to 3 based on the potential seriousness and likelihood of negative impact on the Agency’s operations if corrective action is not taken.