



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

OFFICE OF COUNTY INVESTIGATIONS
KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 514
LOS ANGELES, CALIFORNIA 90012-3557

ARLENE BARRERA
AUDITOR-CONTROLLER

OSCAR VALDEZ
CHIEF DEPUTY AUDITOR-CONTROLLER

ASSISTANT AUDITOR-CONTROLLERS:

ROBERT G. CAMPBELL
KAREN LOQUET
CONNIE YEE

November 8, 2022

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

FROM: Greg Hellmold, Chief 
Office of County Investigations

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

We completed a second and final 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). We reviewed the status of two Priority 2 recommendations that had not been fully implemented in our first follow-up report issued on February 17, 2022. As summarized in Table 1, DCFS fully implemented the two outstanding Priority 2 recommendations to strengthen controls over animal adoptions and fostering.

Table 1 - Results of Second Follow-up Review

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

For details of our review and the Department's corrective actions, see Attachment.

We thank DACC management and staff for their cooperation and assistance during our review. If you have any questions please contact me at (213) 893-0243 or ghellmold@auditor.lacounty.gov, or your staff may contact Supervising Investigator Tim Takara at (213) 893-0918 or ttakara@auditor.lacounty.gov.

GH:AMS:TT:tt
Attachment

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

Report #F2-2018-14064

LOS ANGELES COUNTY AUDITOR-CONTROLLER

Attachment
Page 1 of 2

Robert G. Campbell
ASSISTANT AUDITOR-CONTROLLER

Greg Hellmold
DIVISION CHIEF

Office of County Investigations

Report #F1-2018-14064

DEPARTMENT OF ANIMAL CARE AND CONTROL IMPROVEMENT OPPORTUNITIES NOTED DURING LIMITED REVIEW (#IOR-2018-14064) SECOND AND FINAL 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 DACC's animal case management system (Chameleon) and the 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>Recommendation Status: Implemented</p> <p>a) DACC management provided us with an e-mail addressed to all staff dated June 29, 2022, and attached Policy and Procedure updates including Operations-General (OPG) 100 – Adoption Policy, which states, "Department employees will be subject to and pay all applicable adoption fees consistent with those charged to the public at the time of adoption." We confirmed that adoption fees are published in the Fee Schedule available on the Department's website. Additionally, DACC management required staff to sign and submit a Change Notice which acknowledges receipt of the policies and responsibility to read and understand its contents.</p> <p>b) DACC managed updated OPG 100 – Adoption policy to state that for animals not listed in the established Fee Schedule, "...the care center manager will determine the amount of the adoption fee based on fair market value of the species in the area and obtain approval from their deputy director for that price."</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>2 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: Implemented</p> <p>DACC management provided us with an e-mail addressed to all staff dated June 29, 2022, and attached Policy and Procedure updates including SP110 – Animal Foster Program, which states, “In order to avoid the appearance of a potential conflict of interest, employees should be used as foster caretakers for animals in the Department’s care only as a last resort when no other fosters are available. Animals may not be fostered by employees with the intent to or result of hiding the animal from adoption to the public or adoption partner organization.”</p> <p>Additionally, OPG 100 – Adoption Policy includes a section on adoptions by employees which states, “...employees are prohibited from using their official position to obtain property, preferential treatment or other advantage.” It also states, “...Department employees and the immediate family members and persons living in the same household as the employee may adopt animals from the Department only after the animal has been available to the public for at least one full business day.” Additionally, employees may not circumvent this requirement by receiving the animal through a non-employee.</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.