

REPORT BY THE
AUDITOR GENERAL
OF CALIFORNIA

SOME ANIMAL CONTROL AGENCIES NEED TO IMPROVE
THEIR MANAGEMENT FOR FUNDS AVAILABLE
FOR DOG AND CAT POPULATION CONTROL



Kurt R. Sjoberg, Auditor General (acting)

State of California
Office of the Auditor General
660 J Street, Suite 300, Sacramento, CA 95814
Telephone : (916) 445-0255

May 16, 1991

P-035

Honorable Robert J. Campbell, Chairman
Members, Joint Legislative Audit Committee
State Capitol, Room 2163
Sacramento, California 95814

Dear Mr. Chairman and Members:

Summary During our statewide survey of 107 animal control agencies, we found that 5 were not collecting the required deposits for spaying and neutering unspayed or unneutered dogs and cats they sold or gave away. Additionally, 11 of the 24 animal control agencies that we visited spent unclaimed deposits for purposes that are not allowed under state law. The accounting systems of 11 of these 24 animal control agencies did not ensure that unclaimed deposits were used for the purposes allowed by law. When animal control agencies do not comply with the state law governing collection and use of these deposits, the agencies' efforts to control the overpopulation of dogs and cats may be reduced.

Background County government agencies in all but 14 of the 58 counties in California provide animal control services including giving away or selling dogs and cats. The 14 counties that do not have such public agencies have arrangements with other counties, cities, private humane societies, or Societies for the Prevention of Cruelty to Animals (SPCA) for providing these services. Additionally, numerous private humane societies and SPCAs throughout the State provide such services independently.

According to the 1990 Roster and Reference Guide published by the California Animal Control Directors' Association, the number of agencies in each county that may be selling or giving away dogs and cats varies widely. For example, in Alpine County, the roster lists only the county animal control agency, whereas the roster lists 33 agencies in Los Angeles County including 3 county animal control agencies, 18 city animal control agencies, and 12 humane societies.

**Scope and
Methodology**

We visited 24 animal control agencies in eight counties to determine whether these agencies were spending unclaimed spay and neuter deposits for the purposes allowed by state law. The eight counties are Contra Costa, El Dorado, Kern, Los Angeles, Sacramento, San Diego, Santa Barbara, and Yolo. At each animal control agency, we reviewed its system for accounting for these deposits. We obtained information on the amount of the deposits that each agency collected in fiscal years 1987-88, 1988-89, and 1989-90 and how much each agency retained in unclaimed deposits for the same three fiscal years. Finally, we reviewed each agency's expenditures of unclaimed deposits for the three fiscal years and determined whether these expenditures were in accordance with state law. Attachment A details the funds in each of these categories for the 24 agencies that we visited for fiscal year 1987-88 through 1989-90.

During our review of the 24 animal control agencies, we found that one agency had approved a request to use unclaimed deposits accumulated before January 1, 1986, for purposes other than preventing the overpopulation of dogs and cats. A legal opinion from the Legislative Counsel dated April 12, 1991, states that the funds accumulated before January 1, 1986, that were deposited for spaying or neutering cats pursuant to Section 31751 of the Food and Agricultural Code are required to be used only for dog and cat population control. We discussed this matter with the agency and recommended in a management letter that the deposits accumulated before January 1, 1986, be spent according to state statutes.

To obtain background information and to determine whether selected animal control agencies are collecting the required deposits, we surveyed by telephone one agency in each of the 50 counties that we did not visit. In 36 of the counties, we contacted the county animal control agency. In the other 14 counties, which do not have county-operated animal control agencies, we contacted the agencies that provide animal control services under agreements with the counties. The survey consisted of a series of questions to determine, for fiscal year 1987-88 through 1989-90, whether the agencies sold or gave away dogs and cats that had not been spayed or neutered, whether they collected the required deposits for spaying and neutering, the deposits that each agency collected, the deposits that were unclaimed, the unclaimed deposits that were spent, and a description of the purposes for the expenditures of unclaimed deposits. Attachment B summarizes the deposits collected, deposits unclaimed, and expenditure data for each of the agencies we contacted in these counties for fiscal year 1987-88 through 1989-90.

In addition to our telephone survey, we sent a letter to each of the 33 animal control agencies that we did not visit in the eight counties where we conducted our audit. For the same three fiscal years, we requested information similar to that requested in our telephone survey.

**Spay and
Neuter
Deposits**

The Food and Agricultural Code, Sections 30503 and 31751, requires animal control agencies to collect a deposit from the new owner when they sell or give away a dog or cat that has not been spayed or neutered. According to the code, an animal control agency collects a deposit that is comparable to the lowest spaying or neutering fee charged by veterinarians in specific locales but does not exceed \$40 for dogs and \$30 for cats. The animal control agency may return the deposit to the owner upon presentation of certification from a veterinarian or clinic that the dog or cat has been spayed or neutered. Alternatively, the animal control agency may pay the deposit directly to a veterinarian or clinic on behalf of the new owner of the animal. The code states that the deposit

may be forfeited if the dog or cat is not spayed or neutered within 60 days or 6 months, depending on the age of the animal, from the date of purchase or adoption. According to the code, the animal control agency must use the unclaimed deposits for a public education program to prevent overpopulation of dogs and cats, a program to spay or neuter dogs and cats, a follow-up program to ensure that animals sold or given away by the animal control agency are spayed or neutered, and any additional expenses associated with complying with these two code sections.

Of the 107 animal control agencies we surveyed during our statewide review, 5 agencies did not collect the required deposits even though they sold or gave away dogs and cats that had not been spayed or neutered. In addition, two other agencies did not start collecting these deposits until 1990 even though the law was effective on January 1, 1986.

Officials at most of these animal control agencies that did not collect the deposits for spaying and neutering before the start of our audit stated that they were not aware of the state law requiring them to collect these deposits. One agency has begun to collect the deposits, and officials at the other agencies stated that they will begin collecting the required deposits or are in the process of reviewing their procedures. If animal control agencies do not collect these deposits when they give away or sell dogs and cats that have not been spayed or neutered, some new owners of the animals may lack the incentive to have them spayed or neutered.

**Spending
Unclaimed
Deposits**

Eleven animal control agencies do not always spend unclaimed deposits in accordance with state law. Specifically, 6 of the 24 agencies that we visited made expenditures that do not relate to preventing the overpopulation of dogs and cats. For example, during the three-year period of our review, one animal control agency spent \$10,575 of its unclaimed deposits for general operating expenses. Another agency spent \$459 in unclaimed deposits for a chair for the animal control director. A third agency spent \$4,212

over two years to pay for flyers promoting fund-raising drives on behalf of a program to assist injured, lost, or abandoned pets.

Since the expenditure of unclaimed deposits is restricted by law, only that portion of any expenditure that helps reduce dog and cat overpopulation should be paid for with unclaimed deposits. However, 10 of the 24 agencies we visited spent unclaimed deposits to pay the total costs of items that were only partially related to dog and cat population control.¹ For example, one agency spent \$11,993 to purchase computer equipment, which was used for more purposes than just dog and cat overpopulation control. Another agency spent \$3,550 over two years to send animal control officers to training programs, which, according to the animal control director, covered other animal control topics as well as topics regarding overpopulation of dogs and cats. Agency officials could not tell us what portion of the expenditures related to dog and cat population control. Finally, one agency spent \$9,852 over three years to purchase publications and other items. One of the publications pertained only to the dangers and control of rattlesnakes, and other publications contained only incidental references to the need to spay or neuter pets.

When animal control agencies inappropriately spend unclaimed deposits they have collected for spaying and neutering, these funds are not available for controlling the overpopulation of dogs and cats.

¹ Some of the 10 agencies also made expenditures of unclaimed deposits that do not relate to overpopulation of dogs and cats.

**Accounting
Deficiencies**

The Governmental Accounting and Financial Reporting Standards, issued by the Governmental Accounting Standards Board, states that an important function of accounting systems is to enable administrators to ensure and report on compliance with finance-related legal provisions. Since the collection of deposits for spaying and neutering animals and the appropriate expenditure of the unclaimed deposits is regulated by law, animal control agencies need to establish recordkeeping procedures sufficient to provide effective accounting control over unclaimed deposits and over the expenditure of these deposits. However, the accounting systems in 11 of the 24 animal control agencies we visited had deficiencies related to the accounting of unclaimed deposits or expenditures of unclaimed deposits. Specifically, 3 of the 11 agencies did not account for the deposits they collected. Nine agencies did not determine the amount of unclaimed deposits they accumulated, and none of the 11 agencies accounted for the expenditure of unclaimed deposits.²

At 7 of these 11 animal control agencies, we reviewed the operations and identified some of the activities and expenditures that related directly to the overpopulation of dogs and cats to determine if expenditures of unclaimed deposits were appropriate. An example of appropriate expenditures includes salaries paid to veterinarians and animal health technicians for the time they spend working in the spay and neuter clinics. At 4 agencies, we identified staff and calculated the portions of their salaries that are appropriately chargeable to unclaimed deposits. Three other agencies provided calculations of staff salaries that are appropriately chargeable to unclaimed deposits.

All 7 of these agencies incurred expenses that were greater than the amount of unclaimed deposits the agencies had accumulated. However, an agency's operating activities could

² One of the 11 agencies corrected its accounting deficiency after the period covered by our audit.

change in such a way that it would accumulate a surplus of unclaimed deposits. In this event, the agency could not ensure that the expenditure of unclaimed deposits would comply with state law.

Because some agencies' accounting systems do not account for unclaimed deposits or expenditures of unclaimed deposits, these agencies may be spending unclaimed deposits for purchases that are not allowed under the law, thereby reducing the agencies' efforts to control the overpopulation of dogs and cats.

Recommendations


To improve the management of funds available for dog and cat population control, animal control agencies should take the following actions:

- Agencies that are not collecting deposits for spaying and neutering when they sell or give away dogs and cats that are not spayed or neutered should establish procedures to collect the deposits;
- Agencies that are inappropriately spending unclaimed deposits should establish procedures to ensure that these funds are spent only for the control of dog and cat overpopulation;
- When purchasing items, agencies should spend unclaimed deposits for the costs of those items only in proportion to the items' use in efforts to control dog and cat populations; and
- Agencies whose accounting systems have deficiencies related to the accounting of unclaimed deposits or expenditures of deposits should modify their systems to ensure that their expenditures comply with the law.

To ensure that all animal control agencies in the State are aware of the deficiencies we found, we will send copies of this report to all agencies listed in the California Animal Control Directors' Association roster.

We conducted this review under the authority vested in the auditor general by Section 10500 et seq. of the California Government Code and according to generally accepted governmental auditing standards. We limited our review to those areas specified in the audit scope section of this letter report.

Respectfully submitted,



KURT R. SJOBERG
Auditor General (acting)

Attachments

- A** Summary of Deposits for Spaying and Neutering, Unclaimed Deposits, and Expenditures of Unclaimed Deposits for Animal Control Agencies Visited Fiscal Year 1987-88 Through 1989-90
- B** Summary of Deposits for Spaying and Neutering, Unclaimed Deposits, and Expenditures of Unclaimed Deposits of Selected Agencies We Contacted by Telephone Fiscal Year 1987-88 Through 1989-90

Responses to the Audit

City of Long Beach
Office of the Auditor General's Comments on
the Response From the City of Long Beach

City of Los Angeles

County of Sacramento
Office of the Auditor General's Comments on
the Response From the County of Sacramento

**Kern County Health Department
Office of the Auditor General's Comments on
the Response From the
Kern County Health Department**

Santa Barbara Humane Society

The Pasadena Humane Society and SPCA

Attachment A

Summary of Deposits for Spaying and Neutering, Unclaimed Deposits, and Expenditures of Unclaimed Deposits for Animal Control Agencies Visited Fiscal Year 1987-88 Through 1989-90

| Agency | Deposits Collected | | | | Unclaimed Deposits | | | | Expenditures of Unclaimed Deposits | | | |
|---|--------------------|----------|----------|---------|--------------------|----------|---------|---------|------------------------------------|---------|---------|------|
| | 1987-88 | 1988-89 | 1989-90 | | 1987-88 | 1988-89 | 1989-90 | | 1987-88 | 1988-89 | 1989-90 | |
| Contra Costa County | \$ 3,090 | \$ 6,042 | \$ 6,220 | \$ 720 | \$ 3,837 | \$ 3,577 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Antioch City Animal Services | 63,380 | 65,135 | 73,417 | 30,685 | 32,209 | 37,487 | | | | | | |
| Contra Costa County Animal Services Department | | | | | | | | | | | | |
| El Dorado County | 15,187 | 15,526 | 20,353 | 6,943 | 8,430 | 10,071 | 3,000 | 1,400 | 2,150 | | | |
| El Dorado County Animal Control | | | | | | | | | | | | |
| Kern County | 88,527 | 81,910 | 78,621 | 49,370 | 47,968 | 45,111 | c | c | c | | | |
| Kern County Animal Control Services | 14,500 | 15,990 | 21,040 | 8,240 | 7,700 | 10,990 | 593 | 0 | 0 | | | |
| Ridgecrest City Animal Control | 26,586 | 40,664 | 41,274 | d | 10,928 | 14,281 | d | b | b | | | |
| Bakersfield Humane Society | | | | | | | | | | | | |
| Los Angeles County | 42,983 | 39,453 | 42,545 | 30,993 | 23,046 | 31,487 | 31,393 | 40,116 | 18,933 | | | |
| Long Beach City Animal Control | 192,763 | 214,479 | 211,756 | 147,701 | 178,497 | 179,342 | a | 105,889 | 74,789 | | | |
| Los Angeles City Department of Animal Regulations | 199,758 | 219,314 | 242,925 | 116,560 | 139,161 | 157,765 | a | a | a | | | |
| Los Angeles County Animal Care and Control | 80,653 | 85,237 | 50,486 | 50,498 | 49,884 | 23,123 | a | 19,766 | 28,141 | | | |
| Los Angeles SPCA ^f | 29,416 | 31,895 | 24,852 | 12,891 | 11,513 | 10,662 | a | a | a | | | |
| Pasadena Humane Society | 20,907 | 18,760 | 18,430 | 11,589 | 2,042 | 8,295 | 0 | 20,949 | 10,190 | | | |
| Santa Monica City Animal Control | | | | | | | | | | | | |
| Sacramento County | 21,190 | 22,870 | 26,885 | 15,403 | 17,270 | 20,535 | 0 | 16,963 | 0 | | | |
| Sacramento County Animal Control | 77,352 | 76,000 | 90,719 | 44,627 | 39,171 | 51,103 | a | 8,449 | 37,215 | | | |
| Sacramento County Animal Control | 58,616 | 56,333 | 69,733 | 24,688 | 28,008 | 32,784 | a | a | a | | | |
| Sacramento SPCA | | | | | | | | | | | | |
| San Diego County | 14,982 | 15,784 | 16,505 | 9,629 | 12,493 | 13,473 | 2,352 | 8,701 | 8,142 | | | |
| Chula Vista Animal Control | 22,450 | 25,413 | 26,560 | 13,160 | 14,647 | 15,644 | e | 901 | 3,549 | | | |
| El Cajon City Animal Control | 34,460 | 37,178 | 39,900 | 17,490 | 21,545 | 22,176 | e | e | e | | | |
| Escondido Humane Society | 121,349 | 113,154 | 108,913 | 50,532 | 46,695 | 46,144 | c | c | c | | | |
| San Diego County Animal Control | 35,357 | 31,875 | 31,547 | 23,873 | 24,904 | 24,699 | b | b | b | | | |
| San Diego County Humane Society | | | | | | | | | | | | |
| Santa Barbara County | 31,657 | 33,451 | 39,767 | 15,805 | 20,351 | 21,737 | a | 0 | 0 | | | |
| Santa Barbara County Animal Control | 14,764 | 11,186 | 10,473 | 5,830 | 4,359 | 4,088 | a | a | a | | | |
| Santa Barbara County Humane Society | | | | | | | | | | | | |
| Yolo County | 21,635 | 32,175 | 32,785 | 10,250 | 17,210 | 13,860 | d | 6,842 | 22,572 | | | |
| Yolo County Animal Control | 7,225 | 9,382 | 7,349 | 5,527 | 6,108 | 4,399 | d | 0 | 0 | | | |
| Yolo County SPCA | | | | | | | | | | | | |

Source: All figures were provided by the animal shelters we visited and were unaudited by the Office of the Auditor General.

Note: Unclaimed deposits include potential liabilities of an undetermined amount since an individual may reclaim a spay or neuter deposit up to six months after purchase or adoption.

^aAccounting records provide no detail of expenditures of unclaimed deposits. Calculations performed by Office of the Auditor General staff revealed that expenditures that are appropriately chargeable to unclaimed deposits exceeded the amount of unclaimed deposits.

^bAccounting records provide no detail of expenditures of unclaimed deposits. Office of the Auditor General staff verified calculations performed by the agency which revealed that expenditures that are appropriately chargeable to unclaimed deposits exceeded the amount of unclaimed deposits.

^cAccounting records do not provide adequate detail to determine the expenditures that are appropriately chargeable to unclaimed deposits.

^dRecords not available.

^eUnable to determine actual expenditures.

^fThe Los Angeles SPCA fiscal year is from October 1 to September 30.

Attachment B

Summary of Deposits for Spaying and Neutering, Unclaimed Deposits, and Expenditures of Unclaimed Deposits of Selected Agencies We Contacted by Telephone Fiscal Year 1987-88 Through 1989-90

| Agency | Deposits | | | Unclaimed Deposits | | | Expenditures of Unclaimed Deposits | | |
|---|----------|----------|---|--------------------|----------|----------|------------------------------------|---------|---------|
| | 1987-88 | 1988-89 | 1989-90 | 1987-88 | 1988-89 | 1989-90 | 1987-88 | 1988-89 | 1989-90 |
| Alameda County Animal Control | a | a | a | a | a | a | a | a | a |
| Alpine County Animal Control | | | Animals are transported to El Dorado County | | | | | | |
| Amador County Animal Control | \$ 59 | \$ 1,932 | \$ 7,158 | a | a | a | a | a | a |
| Calaveras County Office of Animal Control | 2,550 | 3,885 | 3,975 | \$ 1,615 | \$ 2,190 | \$ 2,540 | \$ 0 | \$ 0 | \$ 0 |
| Central California SPCA | 38,020 | 43,860 | 42,670 | a | a | a | a | a | a |
| City of Alturas Animal Control | c | | | | | | | | |
| Colusa County Animal Control | c | | | | | | | | |
| Contra Costa ^b | a | a | a | a | a | a | a | a | a |
| Del Norte County Animal Control | | | | | | | | | |
| El Dorado ^b | 360 | 150 | 300 | 285 | 90 | 180 | 285 | 95 | 180 |
| Glenn County Animal Control | 4,230 | 4,370 | 3,993 | a | a | a | 3,780 | 5,580 | 4,645 |
| Grass Valley City Animal Control | a | a | a | a | a | a | a | a | a |
| Humbolt Humane Society | a | a | a | a | a | a | a | a | a |
| Imperial County Animal Control | c | | | | | | | | |
| Inyo County Animal Control | | | | | | | | | |
| Kern ^b | 3,200 | 3,540 | 7,570 | 2,400 | 1,911 | 3,010 | 70 | 1,798 | 0 |
| Kings County Animal Control | 7,757 | 8,789 | 10,702 | 4,185 | 4,110 | 5,870 | a | a | a |
| Lake County Animal Control | | | | | | | | | |
| Lassen County Dog Control Shelter | | | Did not collect deposits until August 1990 | | | | | | |
| Los Angeles ^b | 4,975 | 5,035 | 6,695 | 2,140 | 3,350 | 5,050 | 0 | 0 | 0 |
| Madera County Animal Control | 16,370 | 15,683 | 19,534 | 0 | 0 | 0 | 0 | 0 | 0 |
| Marin Humane Society | 1,345 | 570 | 750 | 710 | 330 | 360 | 0 | 0 | 0 |
| Mariposa County Animal Control | 3,600 | 4,800 | 3,750 | 548 | 1,650 | 1,110 | 0 | 484 | 4,242 |
| Mendocino County Animal Control | 14,885 | 14,890 | 16,080 | 6,805 | 7,960 | 8,442 | 0 | 0 | 7,799 |
| Merced County Animal Control | c | | | | | | | | |
| Mono County Animal Control | a | a | a | a | a | a | a | a | a |
| Monterey County SPCA | 14,491 | 18,054 | 17,212 | a | a | a | a | a | 3,515 |
| Napa County Animal Control | a | a | a | a | a | a | a | a | a |
| Northwest SPCA | 147,770 | 149,046 | 149,970 | 105,275 | 108,340 | 107,200 | 50,190 | 121,785 | 107,725 |
| Orange County Animal Control | 20,041 | 15,184 | 21,092 | a | a | a | a | a | a |
| Penninsula Humane Society | a | a | a | a | a | a | a | a | a |
| Placer County Animal Control Division | 2,530 | 2,310 | 3,300 | 755 | 955 | 290 | 701 | 537 | 1,191 |
| Plumas County Animal Control | a | a | a | a | a | a | a | a | a |
| Riverside County Animal Control | | | | | | | | | |
| Sacramento ^b | 11,331 | 12,110 | 9,335 | 2,707 | 6,770 | 3,600 | 2,707 | 6,770 | 3,600 |
| San Benito County Animal Control | 14,236 | 20,112 | 22,304 | 8,406 | 11,783 | 4,657 | a | a | 0 |
| San Bernardino County Animal Control | | | | | | | | | |
| San Diego ^b | | | | | | | | | |
| San Francisco Animal Care and Control | 71,909 | 100,490 | 49,100 | 60,564 | 47,033 | 36,660 | 60,564 | 47,033 | 0 |
| and San Francisco SPCA ^d | | | | | | | | | |

| Agency | Fees Deposited | | | | Unclaimed Deposits | | | | Expenditures of Unclaimed Deposits | | | |
|---|------------------|------------------|------------------|--|--------------------|------------------|------------------|--|------------------------------------|------------------|------------------|--|
| | 1987-88 | 1988-89 | 1989-90 | | 1987-88 | 1988-89 | 1989-90 | | 1987-88 | 1988-89 | 1989-90 | |
| Stockton City Animal Control | 9,600 | 10,300 | 11,795 | | 7,040 | 7,675 | 9,395 | | a | a | a | |
| San Luis Obispo County Animal Control | 24,486 | 39,379 | 32,280 | | 11,059 | 7,515 | 2,695 | | a | a | a | |
| Santa Barbara | | | | | | | | | | | | |
| Santa Clara County Animal Control | 23,577 | 20,239 | 17,676 | | 16,551 | 13,151 | 13,996 | | 7,547 | 0 | 2,574 | |
| Santa Cruz SPCA | a | a | 37,653 | | a | a | 6,295 | | a | a | 6,295 | |
| Shasta County Animal Control | 8,220 | 6,165 | 6,540 | | 3,555 | 3,705 | 5,295 | | a | a | a | |
| Sierra County Animal Control | | | | | | | | | | | | |
| Siskiyou County Animal Control | 80 | 90 | 0 | | 40 | 50 | 0 | | 0 | 0 | 0 | |
| Solano County Animal Control | a | a | a | | a | a | a | | a | a | a | |
| Sonoma County Animal Control and Humane Society of Sonoma County ^d | 30,225 | 30,070 | 11,382 | | 13,492 | 16,900 | 8,551 | | a | a | 0 | |
| Stanislaus County Animal Control | 20,775 | 27,548 | 30,911 | | 14,882 | 16,606 | 18,481 | | 453 | 14,639 | 21,068 | |
| Sutter County Animal Control | 4,520 | 5,730 | 7,200 | | 3,430 | 4,690 | 5,310 | | a | a | a | |
| Tehera County Animal Control | 1,870 | 3,990 | 5,470 | | 1,427 | 2,367 | 4,328 | | 0 | 0 | 1,820 | |
| Trinity County Animal Control | 365 | 340 | 485 | | 315 | 75 | 245 | | 0 | 0 | 0 | |
| Tulare County Humane Society | a | a | a | | a | a | a | | a | a | a | |
| Tuolumne County Animal Control | 8,488 | 7,490 | 10,086 | | 4,744 | 2,867 | 4,457 | | 3,744 | 4,623 | 5,629 | |
| Ventura County Animal Control | 43,583 | 47,920 | 54,535 | | 14,910 | 20,070 | 23,510 | | 38,675 | 84,427 | 49,905 | |
| Yolo ^b | | | | | | | | | | | | |
| Yuba County Animal Control | 2,610 | 2,415 | 2,620 | | 2,210 | 1,810 | 2,060 | | a | a | a | |
| Total | \$558,058 | \$626,486 | \$624,123 | | \$290,050 | \$293,953 | \$287,102 | | \$168,716 | \$287,766 | \$220,188 | |
| Average | \$ 17,439 | \$ 19,578 | \$ 18,913 | | \$ 10,743 | \$ 10,887 | \$ 9,900 | | \$ 8,034 | \$ 13,703 | \$ 9,175 | |
| High | \$147,770 | \$149,046 | \$149,970 | | \$105,275 | \$108,340 | \$107,200 | | \$ 60,564 | \$121,785 | \$107,725 | |
| Low | \$ 59 | \$ 90 | \$ 0 | | \$ 0 | \$ 0 | \$ 0 | | \$ 0 | \$ 0 | \$ 0 | |

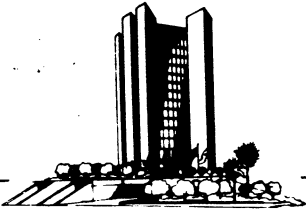
Source: All information was provided by the agencies.

^aIndicates that agency did not provide amount.

^bIndicates that the Office of the Auditor General staff visited the agency. See Attachment A.

^cDid not collect deposits as required.

^dIn San Francisco and Sonoma counties, the SPCA and the Humane Society provided the animal control services under contract with their respective counties in fiscal year 1987-88 and 1988-89. The counties provided these services themselves in fiscal year 1989-90.



CITY OF LONG BEACH

DEPARTMENT OF HEALTH AND HUMAN SERVICES

2655 PINE AVENUE • P.O. BOX 6157 • LONG BEACH, CALIFORNIA 90806 • (213) 427-7421

May 2, 1991

Mr. Kurt R. Sjoberg
Auditor General (Acting)
State of California
Office of the Auditor General
660 "J" Street, Suite 300
Sacramento, CA 95814

Dear Mr. Sjoberg:

In response to the draft copy of your letter report concerning animal control agencies' need to improve their management of funds available for dog and cat population control, we are submitting the following comment regarding Page 4, Paragraph one. We request that the comment regarding the purchase of a chair be deleted from the final report. The expense was explained to Mr. Anderson as an accounting error, which has been corrected, it was not an intentional misuse of the spay/neuter funds. Care will be taken to ensure no further errors will be made regarding this fund. ①*

With regard to the expenditure of funds for a Director's Training Conference, we feel that the manner in which the comment was worded discounts the possibility that there is justification to use funds for this type of function. In reality, Director's Training Conferences do allow the exchange of valuable information regarding the operation of animal control programs which directly include issues relating to pet population control. ②

Thank you for your consideration of my comments.

Sincerely,

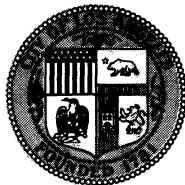
Angela Coron
Acting Director

**Comments The Office of the Auditor General's Comments on
the Response From the City of Long Beach**

- ① The county took corrective action after our visit.
- ② Text changed.

CITY OF LOS ANGELES

CALIFORNIA



TOM BRADLEY
MAYOR

DEPARTMENT OF
ANIMAL REGULATION

ROOM 1400
419 SOUTH SPRING STREET
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ROBERT I. RUSH
GENERAL MANAGER

COMMISSIONERS

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RITA HOISCH
JAIME I. VELASCO, D.V.M.

May 6, 1991

Kurt R. Sjoberg, Auditor General (acting)
State of California
660 J Street, Suite 300
Sacramento, CA 95814

Dear Mr. Sjoberg:

The City of Los Angeles, Department of Animal Regulation has reviewed the draft of the confidential audit report recently conducted by your agency to ensure that unclaimed spay and neuter deposits are used for the purposes allowed by law.

The Department is in agreement with the general precepts contained therein. Specifically, the items annotated for the Department of Animal Regulation were alluded to in the representation letter sent to you dated April 16, 1991.

The Department appreciates the time and effort expended by your auditing staff in conducting the audit and the opportunity to comment on your draft findings.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert I. Rush".

ROBERT I. RUSH
General Manager

RIR:MSL



COUNTY OF SACRAMENTO

DEPARTMENT OF GENERAL SERVICES

3284 Ramos Circle
Sacramento, California 95827
(916) 366-2111

JERRY M. SAULTER
Director
MICHAEL DEBORD
ELLIS MARVEL
Deputy Directors



May 2, 1991

Kurt R. Sjoberg, Auditor General
State of California
660 J Street, Suite 300
Sacramento, California 95814

Dear Mr. Sjoberg:

In response to your letter of April 29, 1991, I have reviewed the draft copy of your letter report titled "Some Animal Control agencies need to improve their management for funds available for dog and cat population control". Per your request, the following represents our comments to the specific items of the letter report, marginally noting as referencing to the County of Sacramento.

Discussion on Page 4, Subject: "Spending Unclaimed Deposits" addresses expenditures which are not made in accordance with State law. Examples given include computer equipment which was used for more purposes than just dog and cat overpopulation, training which included topics other than just overpopulation of dogs and cats, and purchase of publications containing subjects covering more than just spay or neuter, per se.

Recommendations on page 6 then reference "inappropriate spending" and the report states that agencies should establish procedures to ensure funds are spent only for the control of dog and cat overpopulation and agencies should spend unclaimed deposits for the costs of those items only in proportion (emphasis added) to item's use in efforts to control dog and cat overpopulation.

In conjunction with the discussion and recommendations in this report, it should be noted that, in our opinion, the auditors have taken a very narrow view of the governing provisions. As example, if a County purchases a computer with the intent of dual use (e.g., spay/neuter/pet overpopulation program - 50%, rabies control program - 50%) then the cost should obviously be apportioned accordingly. However, if the computer is purchased to support the spay/neuter/pet overpopulation program and subsequent incidental use is made of the computer during otherwise non-use time, then I would disagree with the recommendation that computer purchase cost represents an inappropriate use of funds. Unfortunately, the reference in this report does not provide clarity as to which type of situation they were referring. ①*

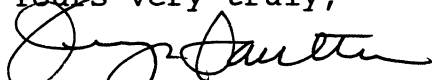
May 1, 1991

The same rationale applies to some of the other issues. Another example would be pamphlets or publications purchased and distributed by the County. If the theme of the pamphlet is spay/neuter/pet overpopulation and a portion of the pamphlet includes the broader issue of responsible pet ownership, then it appears to me that this expenditure would be fully compliant with the governing provisions of the state law. Any recommendation to proportion an expenditure as a result of trying to distinguish spay/neuter/pet overpopulation language from responsible pet ownership language of a pamphlet is refinement and separation of issues beyond our understanding of the governing law.② Further, just putting the words "spay/neuter" on every page to meet the criteria does not, in and of itself, impart an effective message to the reader. Discussion of responsible pet ownership and how spay/neuter/pet overpopulation issues represent an integral component of these responsibilities is a far more effective public education approach.

I am hopeful that the "narrow view" concept reflected in this letter report can be re-evaluated in the broader context of the overall objective.② If an expenditure is made for the primary purpose of spay/neuter/pet overpopulation program, then any ancillary or additional benefit derived by the organization from this expenditure should be viewed as a bonus, not as a reduction of value received and therefore be subject to audit exceptions.

I appreciate the opportunity to respond to your letter report, albeit a short timeframe for response, as it provides an opportunity for an exchange of viewpoints on the application of a very important program for local animal control organizations. I trust this information will be received in the spirit of constructive criticism, as intended.

Yours very truly,



JERRY M. SAULTER
Director of General Services

MD/pt

c: County Executive
AFA Administrator
Deputy Director, General Services
Chief, Animal Control Division

Sjoberg.acd

**Comments The Office of the Auditor General’s Comments on
the Response From the County of Sacramento**

- ① Our recommendation addresses the intended use of items at the time of purchase. Subsequent incidental use of these items for other purposes would be appropriate.
- ② As stated in our letter report, state law allows animal control agencies to use the unclaimed deposits only for the prevention of the overpopulation of dogs and cats. Also, since basic cost accounting principles require that costs be allocated according to use, only that portion of any expenditure that helps prevent the overpopulation of dogs and cats should be paid for with unclaimed deposits.



KERN COUNTY HEALTH DEPARTMENT

Babatunde A. Jinadu, M.D., M.P.H.
Director of Public Health Services
Health Officer

Jackie Ambrose, Senior Secretary
1700 Flower Street
Bakersfield, CA 93305-4198
(805) 861-3621

May 7, 1991

Kurt R. Sjoburg
Auditor General (acting)
660 J Street, Suite 300
Sacramento, California 95814

Dear Mr. Sjoburg:

I have reviewed the draft of your report #P-035 entitled animal control agencies need to control management of funds available for dog and cat population control.

The report is very generic and nonspecific to allow us to formulate a specific response. Some of the conclusions are (as it relates to the "pointer" along the right hand column) a matter of interpretation particularly as related to whether agencies "spent unclaimed deposits for general operating expenses."^① More important is the need for the report to recognize that while some agencies may not have had established procedures previously, such procedures are now in place (as is the case in Kern County Animal Control Services).^② These improvements should be included in the body of your report and reflected in the recommendation.

It is assumed that this document currently is under review and subject to amendment prior to release of the official report. If you have any questions regarding this response or if there are other materials that we should be aware of, please feel free to contact me.

It was nice speaking to your staff.

Sincerely,

A handwritten signature in black ink, appearing to read "B. A. Jinadu", with a large, stylized flourish extending to the right.

B. A. Jinadu, M.D., M.P.H.
Director of Public Health Services
Health Officer

BAJ:ja\aud-gen.001

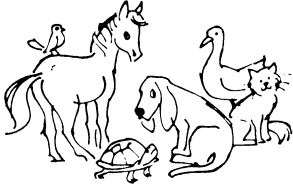
**Comments The Office of the Auditor General's Comments on
the Response From the
Kern County Health Department**

- ① Our conclusion that one agency spent \$10,575 of its unclaimed deposits for general operating expenses is a matter of record. Specifically, Kern County Animal Control Services spent \$4,380.76 for general operating expenses in fiscal year 1988-89 and \$6,194.16 in fiscal year 1989-90.
- ② The procedural changes implemented by Kern County Animal Control Services will not prevent the agency from inappropriately spending unclaimed deposits in the future.

SANTA BARBARA HUMANE SOCIETY

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May 2, 1991

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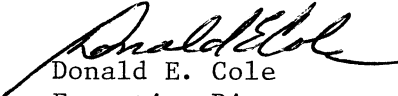
Kurt R. Sjoberg
Auditor General (acting)
OFFICE OF THE AUDITOR GENERAL
660 J Street, Suite 300
Sacramento, CA 95814

Re: Your April 29, 1991 letter - Draft Copy

Dear Mr. Sjoberg:

The Santa Barbara Humane Society has modified its accounting system, effective 1/1/91, establishing a separate account for spay/neuter deposits and procedures to identify the expenditure of unclaimed deposits.

Sincerely,


Donald E. Cole
Executive Director

DEC:rj



**The Pasadena
Humane Society
& SPCA**

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Pasadena, California 91105
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Steven R. McNall
Executive Director

May 2, 1991

Mr. Kurt R. Sjoberg
Auditor General
State of California
Office of the Auditor General
660 J Street, Suite 300
Sacramento, CA 95814

Dear Mr. Sjoberg:

We have received your letter regarding animal control agencies and their need to improve their management of funds available for dog and cat population control.

We feel that our accounting system complies with the law. However, effective back to January 1, 1991, we will be instituting a new reserve account that will show spay and neuter revenue and expenditures and will therefore show any unclaimed revenue at the end of each year. We feel that this will more closely comply with the law and will make any future audits regarding our management of spay and neuter funds more time effective for everyone.

Sincerely,

Steven R. McNall
Executive Director

**cc: Members of the Legislature
Office of the Governor
Office of the Lieutenant Governor
State Controller
Legislative Analyst
Assembly Office of Research
Senate Office of Research
Assembly Majority/Minority Consultants
Senate Majority/Minority Consultants
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