



Audit of Animal Services

JANUARY 24, 2023

Audit of Animal Services Contract Revenues

Scope and Objectives

- January 1, 2021, through December 31, 2021
- To review revenue and payments from the cities and districts that have service contracts with Animal Services to determine whether:
 - Contract payments were billed, collected, and accounted for accurately and completely, and complied with the terms of the interlocal agreements and County policies.
 - Contract fees for service were adequate to cover Animal Services' cost to provide those services.
 - Receipts for contract revenues were properly safeguarded against fraud, waste, or misuse.

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- FINDING 1: No detailed breakdown of Animal Services Countywide Budgeted Expenditures was on file for 2021.
- FINDING 2: General Fund expenses included in the Public Works and Other Services Enterprise Fund.
- FINDING 3: No clear criteria to determine Countywide services
- FINDING 4: There was no Animal Services capital projects fund or written reserve policy.
- FINDING 5: Interest was not charged to late payments per contracted terms.
- FINDING 6: Animal Services did not have written Accounts Receivable policy.

Enterprise Funds

The Public Works and Other Services Enterprise fund included expenditures for services considered Countywide. \$1.6 million was transferred from the General Fund to cover the cost of the services. However, countywide expenses do not meet the criteria for an enterprise fund.

Countywide vs. Municipal Expenses

There were no clear criteria for determining expenses that qualified as Countywide services. Some municipal contracts included services that management considered Countywide but did not indicate the party responsible for the related costs.

Interlocal Agreements

Although Countywide Policy 1220 gives an exemption to interlocal agreements regarding accounts receivable and bad debt collection, we recommend the county consider removing this exemption and enforcing contract terms for interlocal agreements in the future.