Audit of Ventura County Animal Services' Charges to Contract Cities

Report Date: September 25, 2025

Office of the Auditor-Controller
County of Ventura, California
Jeffery S. Burgh, Auditor-Controller

County of Ventura
AUDITOR-CONTROLLER
MEMORANDUM

To: Esteban Rodriguez, Director, Animal Services **Date:** September 25, 2025

From: Jeffery S. Burgh

Subject: **AUDIT OF VENTURA COUNTY ANIMAL SERVICES' CHARGES TO CONTRACT CITIES**

We have completed our audit of Ventura County Animal Services' (VCAS) charges to contract cities. Our overall objective was to determine whether VCAS properly assessed quarterly charges to contract cities in accordance with the terms of the Animal Services Agreements (Agreements) and annual Service Level Requests (SLRs) in place during Fiscal Year 2023-24.

Executive Summary

Overall, we found that VCAS properly assessed quarterly charges to contract cities based on the terms of the Agreements and SLRs. For example, quarterly invoices were properly calculated, supported, and based on approved rates. Contract cities were invoiced timely and in accordance with Agreement terms, and payments were recorded promptly and accurately.

However, we identified opportunities for VCAS to:

- Maximize cost recovery by properly billing contract cities for all boarding days for confiscated animals.
- Strengthen quarterly billing practices by establishing formal policies and procedures.

VCAS management initiated corrective action to address our findings. Corrective action is planned to be completed by September 1, 2026.

We appreciate the cooperation and assistance extended by you and your staff during this audit.

cc: Honorable Janice Parvin, Chair, Board of Supervisors
Honorable Jeff Gorell, Vice Chair, Board of Supervisors
Honorable Matt LaVere, Board of Supervisors
Honorable Kelly Long, Board of Supervisors
Honorable Vianey Lopez, Board of Supervisors
Dr. Sevet Johnson, County Executive Officer

Audit Report Contents

Background

Ventura County Animal Services (VCAS) manages animal welfare for unincorporated areas of the County of Ventura (County). During the 5-year period July 1, 2020, through June 30, 2025, VCAS provided contracted services for eight incorporated cities: Camarillo; Fillmore; Moorpark; Ojai; Oxnard; Port Hueneme; Simi Valley; and Ventura (contract cities). Each of the contract cities entered into a 5-year Animal Services Agreement (Agreement), which included an annual Service Level Request (SLR) from each city. The SLR allowed each contract city to request specific services, which included the following fee components:

- Animal care services: A proportion of the total County animal care service costs incurred during the fiscal year based on a 3-year weighted average of each city's pro rata animal intake percentage. Services included animal sheltering, adoptions, foster care coordination, and veterinary care.

- Field services: The cost of employee time spent issuing citations, conducting investigations, etc., regarding animals within the city's jurisdictional limits.

- Animal license processing: A flat fee for each license processed for animals within the city's boundaries.

- Administrative citation processing: Actual costs associated with mailing and processing citations to animal owners within the boundaries of the city.

The fees charged to the cities were partially offset by revenue credits from amounts paid by city residents for animal licenses, redemptions, and citations. VCAS invoiced contract cities quarterly and received more than $5.1 million for contract services provided during FY 2023-24.

Scope

Our overall objective was to determine whether VCAS properly assessed quarterly charges to the contract cities in accordance with the terms of the Agreements and SLRs. Specifically, for Agreements and SLRs in place during FY 2023-24, we determined whether:

- quarterly charges to contract cities were properly calculated and adequately supported; and
- quarterly invoicing and payment processing procedures were in accordance with Agreement terms.

The audit was performed in conformance with the Global Internal Audit Standards promulgated by The Institute of Internal Auditors.

Findings

Overall, we found that VCAS properly assessed quarterly charges to the contract cities in accordance with the terms of the Agreements and SLRs. For example:

- Animal care service charges were reasonably based on the weighted average of each city's pro rata animal intake percentage according to system-generated reports.

- Other invoice charges, such as for license processing and field services, were appropriately supported and based on approved rates.

- Revenue credits agreed to system reports for animal licenses and redemptions.

- Contract cities were invoiced timely and in accordance with Agreement terms.

However, we identified areas where improvements were needed as discussed below, presented in order of significance based on information received at the time of our audit. VCAS management initiated corrective action in response to the audit as noted.

1. Invoicing for Confiscated Animals

VCAS did not invoice one contract city for all boarding days for a confiscated animal (confiscate days). VCAS charged cities a daily boarding rate for certain animals confiscated by the police/court that were held beyond 15 days. We found that one city was charged 53 confiscate days when the city should have been charged 381 days, resulting in a total undercharge of $8,856. This occurred because system reporting was configured to only generate billable confiscate days with an outcome date (i.e., the date the animal was no longer under VCAS' care) within the billable quarter. Therefore, while VCAS billed for the days in the quarter that included the outcome date, no charges were assessed on the prior quarterly invoices. Incomplete billing reduces cost recovery necessary for supporting animal welfare and agency operations.

Recommendation. VCAS management should work with the system vendor to report all confiscate days in each quarter. VCAS management should also determine whether provisions could be added to the Agreements allowing for the recovery of previously unbilled costs owed from the contract cities.

Management Action. VCAS management stated: "Upon notification of the billing discrepancy by the auditor, VCAS investigated the causation and found there was an error in the SQL code used for the reports to analyze and reconcile the billing data. The SQL coding was fixed, and the underlying causation of the error was addressed. This item has been successfully resolved."

2. Formal Policies and Procedures

VCAS could benefit from formal, agency-specific policies and procedures related to invoicing contract cities. For example:

- A formal VCAS policy could provide background, definitions, responsibilities, and general procedures for the quarterly invoicing process.

- Step-by-step instructions for preparing, reviewing, and troubleshooting key reporting used to support quarterly invoicing may be useful to ensure accuracy while minimizing processing errors.

- Procedures for collecting late payments and documenting collection efforts, including escalation steps, may help VCAS collect late payments in a timely manner and ensure documented evidence of due diligence in case of nonpayment.

- Clearly documenting adjustments to fees charged to city residents will help ensure that revenue credits are properly supported.

- A record retention policy that aligns with the Agreement would help ensure that adequate financial records documenting the cost of providing services are available for inspection by the contract cities.

Developing formal policies and procedures will help promote complete and accurate billing practices, maximize cost recovery efforts, and ensure that employees are properly trained.

Recommendation. VCAS management should formalize policies and procedures related to invoicing contract cities. The policies and procedures should also be subject to periodic management review to ensure continued relevance and effectiveness.

Management Action. VCAS management stated: "VCAS Management concurs with the Auditor's recommendation of creating formal, agency-specific policies and procedures related to invoicing contract cities."

Auditor's Evaluation of Management Action

We believe that management actions taken or planned were responsive to the audit findings. VCAS management planned to complete corrective action by September 1, 2026.