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## **LB City Auditor Doud Releases Audit of LB Animal Care Services**

*Audit finds more than \$250,000 missing during 11 month period,  
resulting in criminal investigation*

**Long Beach, CA** - Long Beach City Auditor Laura Doud released an audit today of Long Beach Animal Care Services (ACS) Revenue. The October 2011 report, previously held as confidential because of an on-going criminal investigation, determined that in the 11 months reviewed, \$253,150 in revenue was missing.

The audit report is being released at this time due to completion of the preliminary criminal investigation by the Long Beach Police Department and the Los Angeles County District Attorney.

At the time the audit was conducted, ACS was a bureau under the Department of Health and Human Services. In the summer of 2011, the City made organizational changes, and the ACS Bureau was placed under the Department of Parks, Recreation and Marine.

During FY 2009 and 2010, bureau management was implementing significant improvements to ACS operations. This included the installation of new technology overseeing the animal licensing and cashiering functions. This new system allowed management, in August 2010, to identify a discrepancy in deposited revenues. Upon discovery of this discrepancy, management contacted the Office of the City Auditor for an audit.

The key findings of the audit focus on the inadequate reconciliation process, a lack of proper segregation of duties, and the need for supervisory review.

Following is a statement from City Auditor Laura Doud:

“This misappropriation of public funds was able to occur, because one employee had the ability to perform the reconciliation and deposit the money without any supervisory review, creating a high risk environment for fraud.

“As the City continues with cuts to the budget and the possibility of eliminating staff, this instance heightens the importance of ensuring proper controls are in place to verify all monies are deposited into the City’s treasury. This includes having clear procedures and training for managers overseeing cash so they can adequately design and implement proper controls that will safeguard our City revenue.

“I hope our audit reinforces the need for improved technology which will enable the City to properly monitor and track every dollar owed and received and reduce the opportunity for fraud.”

The full report with a detailed explanation of the City Auditor’s recommendations and management comments can be viewed on the City Auditor’s website, [www.CityAuditorLauraDoud.com](http://www.CityAuditorLauraDoud.com).

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