

TABLE OF CONTENTS

PREFACE _____	1
EXECUTIVE SUMMARY _____	3
CHAPTER 1 _____	9
Introduction _____	9
Background _____	9
Audit Objectives and Scope _____	9
KHS County Contract _____	10
Other Functions of KHS (Out of Audit Scope) _____	12
Audit Methodology _____	13
Difficulties During the Audit _____	21
CHAPTER 2 _____	22
Audit Findings and Recommendations _____	22
Finding 1. County Funds Were Not Solely Used for County-Related Services. _____	22
Finding 2. A Lack of Record Retention and Documentation Hindered or Prevented the Auditor’s Complete Substantiation of KHS Procedures, Controls and Calculations. _____	23
Finding 3. KHS’ Animal Statistics Reported to the County Show Mixed Results When Compared to National Estimates, and Are Not Supported by KHS’ Internal Records. _____	26
Finding 4. Statutory Hold Periods Were Not Adhered to and a Lack of Segregation of Duties May Allow for Premature Euthanasia. _____	30
Finding 5. Ambiguity of Contract Wording Allows for Misinterpretation of Contract Requirements. _____	32
Finding 6. KHS’ Unsupported Allocation Methodologies Make it Difficult to Determine whether the County Could Realize Cost Savings by Performing Contracted Services In-House. _____	34
AUDITEE RESPONSE _____	36

Attachment 1 – Kaua‘i Humane Society Responses to Audit

