

PERFORMANCE AUDIT OF THE HAWAIIAN HUMANE SOCIETY

Findings

As a good business practice, the Council authorized a performance audit of the Society (Resolution 96-165, CD1, FD1). An audit of the Society had not been done since 1980. Arthur Andersen LLP was engaged by the Office of Council Services to conduct the audit.

The auditors found that:

- (1) The Society's animal control program has mixed results against certain animal control performance "benchmarks."
- (2) The Society' budgetary controls over the City's programs could be improved.
- (3) The Society's system to track and address public complaints about Society personnel was inadequately documented.
- (4) The Society did not comply with City contract provisions in such areas as program reporting and monitoring, response time for animal nuisance calls, and use of animal control officers.
- (5) Animal care provided by the Society and by spay/neuter veterinarians appeared to be adequate, but certain improvements could be made.
- (6) The Society's internal operations relating to the City's programs could be improved; program goals and objectives were not measurable, controls over purchases could be improved, and record keeping was incomplete.
- (8) The Department of Finance oversight of the City's contracts could be improved.

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Recommendations and Response

The auditors recommended that:

- (1) The Society physically segregate City program funds from its other funds and keep separate accounting records.
- (2) The Society review the basis it uses to budget and account for the City's programs and review budget differences with the City.
- (3) The Society document its procedure for handling both written and oral complaints from the public about Society personnel and document its responses.
- (4) The Society comply with the reporting and monitoring requirements of its City contracts and develop reasonable animal complaint response times and qualifications for spay/neuter certificate purchasers.
- (5) The Society improve its goal setting and internal operations with respect to the City programs.
- (6) The City strengthen oversight of its Society contracts, bolster contract provisions, ensure its contracts are properly awarded, and establish a balanced budget for the animal control program.

The Hawaiian Humane Society responded that certain recommendations were either being implemented or would be addressed in consultation with the City, but that other findings and recommendations were not consistent with its legal relationship with the City. However, the auditors believe that contract compliance and sound business practices are essential elements for any contractor providing services to the City with public monies.

Regarding recommendations pertaining to it, the Department of Finance was in general agreement, and noted that contract oversight has since been moved to the Director's office. The department also said it would meet regularly with the Society to review contract performance.