



## FSAH Response to IA Audit - Summary

Kitties & Kanines Shelter, Inc. dba Fort Smith Animal Haven (FSAH) appreciates the unprecedented opportunity to provide a written response to the recent audit of the charges and medical care provided for the impounded animals under the City contract. The following pages are our response to the audit. Many of the findings could have been resolved more efficiently through a discussion between the Shelter Vets, Shelter Employees, and City Administrator Geffken. Instead the auditor met with former employees of the shelter and members of the public.

FSAH was only provided the backup of 10 items within the audit to review and provide response. FSAH respectfully disputes the audit's finding and will summarize our disputes for the limited items here. The FSAH Draft Executive Summary alleged an overcharge of \$101,588 however the limited documents provided by Auditor Shockley as backup only identified \$94,179.09 in overcharges. Upon review by a 3<sup>rd</sup> party CPA only \$11,852.81 of these overcharges are valid. Ms. Shockley was unable to provide the CPA with a Summary of Audit Items for him to verify.

The audit exceptions identified by the audit are a result of the misclassification of animals, the miscalculation of days an animal was impounded by the shelter, the misunderstanding of additional treatment agreements, continuing medical treatment for pre-existing conditions, and updated fixed monthly costs. The auditor made inaccurate conclusions pertaining to veterinarian care and financials surrounding the shelter and these items are outside the scope of this audit.

According to the "Agreement for Animal Shelter Services" contract dated April 20, 2022, FSAH is responsible for the impoundment of all animals delivered to FSAH by the Animal Wardens. FSAH may also receive and impound animals delivered, abandoned, or surrendered to FSAH by residents of the City of Fort Smith at FSAH's sole discretion. The first group of audit exceptions identified by Ms. Shockley are the result of animals adopted and then returned (owner surrenders), feral cats, and foster animals. These classes of animals are all subject to the City Contract for vetting, boarding, and treatment for the reasons stated below.

1. FSAH accepts surrendered animals from owners who adopted the animal from FSAH. If FSAH were to prohibit Fort Smith residents from surrendering these animals, the results could lead to more dumping causing animal control to be overrun by strays. Section 3. A. of the City Contract provides FSAH with the authority to impound surrendered animals from Fort Smith residents at FSAH's sole discretion.
2. The feral cats were part of a Trap Neuter Release (TNR) program that began in September 2020; this program was terminated on June 1, 2022. Contrary to the allegations there was no grant money received nor was any food provided for the shelter under this program. Only a \$2,500



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donation has been identified. Costs resulting from the care of these feral cats is considered within Section 3. A. of the contract.

3. FSAH has a robust foster program to keep the onsite numbers as low as possible. The cost to care for these animals continues regardless of whether the animal is onsite or in foster care. Fosters are supported by FSAH and provided with special dietary foods for babies, regular food, equipment to house, and medical care. This program helps expand the capacity of the shelter allowing for the intake of more animals. Excluding costs for vet, medical, and other supplies from the City contract will drastically reduce FSAH's ability to continue the foster program. This is why the City agreed to pay these expenses to maintain the most efficient operation of the shelter.

Ms. Shockley incorrectly identified areas of overcharge due to a miscalculation in days. Rather than using calendar days, Ms. Shockley used hours when determining whether the city was overcharged. Per Section 5. C. of the Contract the calendar day an animal arrives at the facility is considered day one (1) in determining the payment obligation of the City. Further, the section states that "Day Housed" 2<sup>nd</sup> through 5<sup>th</sup> day will obligate the city to pay \$10.00 per day. The exceptions identified within the audit were recalculated based on the contract language and corrections made.

Ms. Shockley incorrectly concludes that charges for additional treatments are exceptions. However, additional treatment costs were agreed upon with the City including Parvo, Panacur, Revolution, and Bravecto as these treatments were outside the scope of the \$45.00 Day 1 vetting charges for dogs and cats. If all these treatments had been included in the base \$45 vetting charge, the cost would have increased to \$85. The exceptions noted in the audit are disputed.

The audit miscategorized overcharges for medical treatment of animals impounded by the shelter for longer than 5 days. However, as noted in Section 5. D., the City is obligated to cover the continuing expense of treating animals for pre-existing conditions when they're identified on the intake forms.

Additional exceptions noted by Ms. Shockley revolve around the fixed expenses of the shelter. The City has the right in Section 5. F. of the contract to review the expenses and adjust the monthly fee to reflect the actual cost and income of the facility. These include an increase in the monthly fee for new capacity, heartworm, and other treatment not included in \$45 vetting. FSAH did include on April 20, 2022 contract the cost for Panacur and Revolution in the \$45 vetting charge for cats. At that time the shelter discontinued the extra charge for these items.

There are two areas of the audit that should be struck from the record completely. These include veterinarian care and personal loans made to the shelter. Medical care for the animals is the sole responsibility of the veterinarians contracted to provide their expert services to the shelter. It is out of



## FSAH Response to IA Audit - Summary

the scope of the audit to question their treatment plans and expertise based on internet searches. We request all references to medical care be removed from the audit.

Additionally, the audit references personal loans made by a board member. The back-up documentation has been provided to Ms. Shockley, the city board of directors, and audit committee. The documentation has been verified and found to be compliant with regulations and was necessary to keep the operating account funded. These loans were paid and reimbursed with a \$0 balance and no interest charged. We strongly dispute any insinuation that these actions resulted in personal gain and request that this be struck from the audit.

FSAH is committed to providing the best possible care for the animals it receives and accurate billings for the services provided to the City. In March 2023, FSPD enacted a new billing review process wherein discrepancies will be reviewed and adjusted as needed. FSAH is agreeable to reimburse the city for any confirmed overcharges.

## **Assessment to FSAH Responses 6.23.2023**

***Internal Audit incorporated its assessment directly into the PDF report sent by Fort Smith Animal Haven (FSAH) and did not change anything they had done to the report.***

### **Internal Audits Assessment to FSAH Summary**

Internal Audit met with a number of individuals that were past and present employees for FSAH. FSAH Management was not informed of the individuals we spoke with and therefore, incorrectly stated that IA had only spoke with former employees of the Shelter and members of the public.

A Board Member made the agreement with FSAH to select ten items, however, FSAH selected 13 items and documents were provided for each section. A spreadsheet identifying each discrepancy and which page it could be located, along with the support behind it, labeled and numbered were provided to the Shelter. IA tried in the beginning to meet with the Shelter to help them understand the finding and the documentation that supported the finding, however they declined. IA also tried again with the CPA, however he was not interested. IA did meet one time with the CPA and Ms. Altman and it was noted that the information agreed upon was not changed to reflect the correct amount when provided to the Board.

Additionally, FSAH had notated that they did not receive several sections. One of those sections was not in the original request of 13 items, the CPA was informed, it was requested and IA provided it within a couple of hours on the same day. Lastly, IA is not required to put together a summary of audit items. Each section has a spreadsheet (working papers) that were based off of FSAH invoices submitted for reimbursement. That was used to summarize and identify the discrepancies.

FSAH does not decide and determine what the scope of the audit is. Administration asked for IA to look at several areas, however during that review IA noted charges that were inappropriate and related to financials/charges. The City pays the Shelter upwards of a million dollars per year for animals and the risk to the City is not receiving services identified in the contract, as well as being charged for services not provided.

1. Ms. Altman has stated multiple times publicly that the feral cats were not part of the City contract and that the City did not reimburse for them. Additionally, she stated to IA multiple times the City did not reimburse for feral cats. Grant money (donation money from Alley Cats) were received in 2021 and 2022. Alley Cats provided copies of the checks, copies of the ledger, and a written statement regarding the two checks given to FSAH for the purpose of feral cats. These copies were also provided to the CPA as requested. IA explained in the report the food was obtained from Hills Science at a discounted rate but would have to corroborate the information with the Hills Science representative. As stated in the report, the Shelter could not vet the feral cats because they were wild. Those services were provided by the clinics where the feral cats were taken for spay and neutering. Additionally, we identified where the feral cats did not stay at the Shelter the days the City was charged for them.
2. The foster program is not identified in the contract and is an agreement between the Shelter and the foster. If an animal received its vetting requirements when age appropriate, IA did not identify that as a finding. IA did not notate as a finding any vet or medical cost. It would be a

Board decision if they want to reimburse the Shelter for animals in the foster program and not at the Shelter.

3. IA did not use hours for calculating days. IA placed that in the working papers for referencing only. IA identified animals that were only in the Shelter's care minutes to hours and returned to its owner, however the City was charged a day or more, and some had vetting fees even though the animal had not be provided with those services. In cases where the animal was returned to its owner, the owner would pay the impoundment fee and boarding fee. The impoundment fee was to be credited to the City and the boarding fee is retained by the Shelter. It is IA's opinion that the City should not be charged for services it did not provide. Additionally, if an animal is released to its owner in the morning, the City should not be charged because the animal wasn't there the full day, nor did they provide that days service. Lastly, if the animal is taken directly by the Animal Control Warden for medical attention and is not received at the Shelter due to being euthanized, it would be a Board decision to allow for the City to be charged for services not provided.
4. The contract does identify what the City will be reimbursed for regarding vetting services. Parvo is not correctly identified in the contract and Revolution does not treat parvo. Therefore, Revolution should not have been charged to the City. Revolution kills adult fleas and prevents flea eggs from hatching, prevention of heartworm disease, and treatment and control of ear mite infestations. Revolution would be considered part of the vetting services because it is a heartworm preventative. Pancur is an anti-worm medication and is part of the vetting services required in the contract. Bravecto is a flea and tick, and heartworm preventative and the Shelter does also charge for the heartworm treatment (i.e. initially was \$200 and now is \$100). However, IA identified where the City was charged for animals who were not heartworm positive, did not receive the treatment, or did not complete the treatment. Additionally, after reviewing those animals the Shelter still claimed the animal received treatment, IA explained that you had to actually review the animal treatment sheet and not the complete medical history. The complete medical history reflects the treatment plan dates and not if the animal actually received the treatment. It would be the Board's decision to allow for these charges even though it is relates to vetting fees.
5. IA did not mis-categorize medical treatment for animals. Ms. Altman stated publicly that it was an agreement between Administration and herself regarding preexisting conditions. However, nothing was provided to support that statement. The contract does not identify preexisting conditions and the Shelter has five allowable days to seek treatment. Additionally, it was noted that animals did not have information on the intake form and the Shelter claimed it as preexisting. Other animals were later taken for a condition where the vet stated it could be treated when the animal was altered, however it was being treated for something that was not related. Therefore, had the animal been taken timely, the other condition could have been identified and then an allowable expense to the City. Lastly, it was noted that animals would be held for extended periods of time before being treated and no documentation in the record to identify the progress.
6. Ms. Altman stating that she wrote checks to the Shelter from her accounts because the City was not paying timely. The review allowed us to validate if this was correct and how to ensure the City did pay timely. However, the late payments were mostly related to Ms. Altman not submitting the reimbursements timely to the PD for review and processing. Additionally, it was

noted that Ms. Altman did not maintain support or adequate support to validate expenses written.

IA did not question treatment plans and was not just based on internet searches. IA identified how the treatments were not completed because the City had paid for those services. IA also reached out to other Veterinarians to have an understanding of the medications and show no bias by speaking with non-related personnel associated with the Shelter. Additionally, IA understanding from asking questions is that other states and programs will not accept animals if the Shelter does not follow the American Heartworm Society plan.

Lastly, IA did identify some checks that were not identified as a loan or a donation, and did not have support to validate it was a personal or personal business check. Therefore, there is not a zero balance and IA did not reference any of the checks as interesting bearing. IA also identified a check that Ms. Altman stated was a donation, but did not find where it had been deposited.

# AUDIT REPORT – FULL REPORT

## FORT SMITH ANIMAL HAVEN

*FORMERLY KITTIES & KANINES SHELTER*



**Tracey Shockley, CFE, CCA**  
**Internal Audit Director**

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# Fort Smith Animal Haven Audit Report

## Background

The City of Fort Smith contracted with Fort Smith Animal Haven “the Shelter” (formerly named Kitties and Kanine Animal Shelter which **is not** associated with the Kitties and Kanine Veterinarian Clinic or any other programs in the City of Fort Smith) in 2019 in order to allow for Fort Smith Animal Control and the citizens of Fort Smith when surrendering, lost or abandoned animals to the Shelter and to assist with the cost the Shelter would incur for taking the animal. The Shelter is required to follow all Fort Smith City Code of Ordinances related to animal control. Should the Shelter not accept animals for three (3) consecutive days or more, then for each day beginning with the fourth (4<sup>th</sup>) day the City shall receive a credit of one-thirtieth (1/30<sup>th</sup>) of the Monthly Fee for each day the Shelter does not accept an Animal (the “No Vacancy Credits”).

The Shelter is required to make a diligent effort to notify unidentified owners of the impounded animal by publication of a photograph of the animal on the website and other digital platforms operated by the Shelter. After five (5) days if the animal is not claimed, the Shelter shall make the animal available for adoption, implant it with an identification micro-chip and alter the animal in compliance with Ark. Code Ann §20-19-103 (Repl. 2005). Additionally, the Shelter is required to document the holding period and basis for euthanizing any animals. The Shelter is required to also collect specific fees required by the City and for after hour fees when a Shelter receives an animal from a citizen, including the weekends.

The Shelter receives a monthly fixed fee of \$56,300, from the City that covers rent, utilities (water & sewer, sanitation, electric, cable), insurance, part-time vet, salaries & wages, professional fees, and traps. Any funds from the monthly fee not used shall be reported as “City Equity” and only be used to pay for expenses approved in advance in writing by the City Administrator. The City Equity for the acquisition or building of an Animal Shelter or assets requires the approval of the Fort Smith Board of Directors before any funds are spent.

Additionally, the Shelter receives an amount per animal, per day, for services provided by the Shelter. The first day is \$45 that provides tests, vaccinations, medications, and treatment. Cats are to receive feline rabies vaccine; feline distemper vaccine; topical flea and tick treatment; revolution; panacur and topical worming treatment. Dogs are to receive rabies vaccine; DHPPV vaccine; Bordetella vaccine, tick flea, mosquito, biting flies, and lice topical treatment; oral flea treatment; heartworm test; heartworm preventative; and anti-worm medication.

The City then pays ten dollars (\$10) per animal per days two (2) through five (5), except for instances where an animal is impounded at the Shelter in connection with Section 4-7 and Article III of the Fort Smith Code of Ordinances. For impounded animals, the City will continue to pay a daily fee of ten dollars (\$10) per day per animal after day five (5) until the Fort Smith Police Department, in writing, directs disposition of the animal. Lastly, the City will pay for Shelter fees incurred for heartworm treatment with Bravecto, and dogs testing positive for parvo with Revolution.

The City also pays for veterinary services incurred for an animal needing medical services during the first five (5) days of the animal’s impoundment. A detail report of veterinary costs for the animal with a certification that the costs were incurred within the first five (5) days of the animal’s impoundment. The City is not responsible for any fee, service charge, or similar expenses after the fifth (5<sup>th</sup>) day, except for continuing treatment identified on intake and approved in writing by the Fort Smith Police Department. From October 2019 through January 2023 the City has paid approximately **\$2,764,278** to the Shelter.

The Shelter will maintain and update a “lost and found” photo on social media for animals to facilitate the return of animals to animal owners. This includes animals who are reporting missing from Fort Smith citizens. The Shelter also shall provide monthly to the City a monthly report with specific impoundment information.

The contract states that the Shelter will document the holding period and basis for euthanasia for all animals. The Shelter is also required that any person administering euthanasia has secured and maintained certification through the ~~Arkansas State Animal Control Association or similar organization~~ **FSAH COMMENT: Department of Health Pharmacy Services, Controlled Substance Registration with the US Department of Justice Drug Enforcement Administration, Controlled Substance Registration Certificate** confirmed in writing ~~in advanced by the Shelter.~~

The Shelter is required to have a Certified Public Accountant (CPA) prepare the required IRS 990 and oversee the preparation of reports contained in Section 4 of the contract and any financial reports requested by the City, except the monthly financial reports. The CPA shall also prepare financial policies and procedures for the Shelter to ensure sound financial management.

Internal Audit (IA) was asked by the City Administrator upon the request of Directors Morton and Dawson to review several areas of the Shelter due to complaints. Those areas were 1) if the Shelter moving away from the Kitties and Kanine Clinic for spay/neuter and medical services increased the cost to the Shelter for such services (medical cost, transportation cost, amount of time), (2) did the number of spayed and neutered animal decrease, and (3) was there an increase in the number of animals held by the Shelter during the change in spaying and neutering providers.

IA reviewed former meetings between the Board and the Shelter, citizen complaints and reviewed the contract between the City and the Shelter in order to assess other areas that could be a possible liability or risk to the City. The results of the review are described in the following sections dealing with monthly charges; extra charges for medications; charges to the city relating to veterinary costs; the financials; euthanasia, etc...., and required documents.

The Shelter utilizes a comprehensive web-based Shelter and rescue management system that tracks and maintains animal information regarding medical, history, adoption, fosters, and much more that is called **ShelterLuv**. Their focus is to support Shelters in helping more people and animals within your communities

## **AUDIT SCOPE AND OBJECTIVES**

The scope of the audit focused on charges to the City for reimbursement, profit and loss statement, trap neuter release, euthanasia transports, laws/protocols, and animal vet cost. Our audit objectives were as follows:

1. Determine if the City was correctly charged for animal services by the Shelter and according to the contract.
2. Evaluate the Shelter’s animal cost to the Shelter and compare these costs to costs incurred by other surrounding clinics.
3. Determine information on Profit and Loss Statement was correctly presented to the City.
4. Evaluate if the Shelter followed the correct protocols and laws according to the City Ordinance(s).
5. Determine if spay and neuter, and transports have declined since the change of

### **Internal Audits Assessment to FSAH report**

FSAH marked through background information and rewrote some of the verbage. However, the background information came from the contract and should not have been altered by FSAH.

management.

- Determine if the number of euthanasia increased or decreased.

## **Findings**

It is the responsibility of the Shelter to accurately charge and report the information to the City for allowable expenses and charges/fees. The money the Shelter receives from the City is paid from General Fund Unrestricted Revenue, Tax Revenue. Internal Audit reviewed the contract, requested information and tested periods January 2022 through July 2022 and took random samplings from years 2019, 2020 and 2021. Additionally, Internal Audit reviewed September 2019 through September 2022 bank statements. The following were identified:

### **Appendix A – Charges to the City**

**Section 1– Cost/Overcharges (Amounts listed are from January 2022 through July 2022, however IA identified same findings in random sampling for 2019, 2020 and 2021 but are not included in the totals)**

- 1.1 Overcharging for medication(s). Shots/vaccinations already included with the first day of vetting were charged to the City. The City was overcharged approximately **\$6,004**. *See Appendix A, Section 1.1, page ? and exhibit ? for support.* **FSAH found that the city was only overcharged by \$783.00 for the months of January 2022 through July 2022. Additional treatments were provided outside of standard \$45 Vetting Fee. See pages 3-23 of FSAH Responses to IA Audit**
- 1.2 Overcharging for medication(s) for animals that did not receive and/or the complete treatment. The City was overcharged approximately **\$4,500**. *See Appendix A, Section 1.2, page ? and exhibit ? for support* **FSAH found that the city was overcharged by \$450.00. IA disagreed with treatment protocol provided by FSAH vets, the treatment is half the price of the previous treatment, more effective, and less toxic to dogs. There were dogs that had delayed treatment due to failure of vet tech to schedule treatment in ShelterLuv, upon discovery of error, treatment was provided. See pages 24-27 of FSAH Responses to IA Audit.**
- 1.3 Overcharging for vetting and/or daily fee for animals that did not stay the number of days indicated in the spreadsheet. The City was overcharged approximately **\$14,845**. *See Appendix A, Section 1.3, page ? and exhibit ? for support.* **FSAH found that the city was overcharged by \$2,325.00 for the months of January 2022 to July 2022. The exceptions noted by IA were for fosters or incorrectly counted days. See pages 28-48 of FSASH Response to IA Audit.**
- 1.4 Overcharges for euthanasia not consistent with the weight of the animals. *See Appendix A Section 1.4, page ? and exhibit ? for support.* **FSAH was not provided any data to review and respond.**
- 1.5 Did not credit the correct amount due to the City for Animal Control Impoundment fee/citation fee. The invoices submitted for payment only reflected a total credited amount to the City of approximately **\$1,989**. In 2022, the City should have received an approximate **\$2,375**. The City did not receive any credit in 2019, 2020 and 2021, however the report identifies that the City should have received approximately **\$750** in 2019; **\$4,234** in 2020; and **\$2,965** in 2021. Overcharges for Outside Vet charges according to the information provided that were not within the guidelines for reimbursement totaling approximately **\$2,580**. *See Appendix A, Section 1.5, page ? and exhibit ? for support.* **FSAH found that the City owes FSAH \$217.75. Per city contract Section 5. D., the city is responsible for treatment of pre-existing conditions when noted on intake form. See pages 49-50 of FSAH Response to IA Audit.**

### **Section 2 – Inappropriate Charges**

- 2.1 Inappropriate charges to the City for animals that were not in the Shelter’s care at the time of

***This part of the Internal Audits Assessment relates to the beginning of the overall findings in the report.***

**Section 1.1** – Overcharging for medication(s). IA disagrees with the amount FSAH states that was overcharged for vetting fees. IA reviewed their responses, reviewed again the contract and animal records and disagrees with FSAH amount. IA concludes after reviewing the information provided that the City was overcharged \$6,633 from January 2022 through July 2022. It is the Boards decision to what overcharges are acceptable.

**Section 1.2** – Overcharging for medication(s) for animals that did not receive and/or complete treatment. IA disagrees with the amount FSAH state that was overcharged for Heartworm treatment. IA reviewed their responses, reviewed again the contract and animal records. IA never stated we disagreed with the treatment protocol. IA identified animals who did not receive the heartworm treatment, did not receive the full treatment, and either didn't receive it or transported out before treatment was completed and the City was charged.

IA recognizes that FSAH states the vet tech failed to enter the treatment plan. However, Ms. Altman has the tools to verify if there was a treatment plan entered. Additionally, she had to enter the animal record to see if the animal was to be charged for the treatment because not all animals had the tag on its front page to identify it as heartworm positive. Additionally, a records review for each animal should have been completed to ensure all information has been properly captured. It is the Boards decision to determine the amount to be reimbursed to the City.

**Section 1.3** – Overcharging for vetting and/or daily fee for animals that did not stay the number of days. IA disagrees with the amount FSAH state that was overcharged for vetting and/or daily fee that did not stay the number of days as requested for reimbursement. If an animal is transported to a clinic for treatment and is euthanized the City should not be charged a vetting or daily boarding charge. Also, if an animal is returned to its owner within hours, is not vetted and/or stays a full day, the City should not be charged. Additionally, if an animal was returned to its owner or adopted that morning, the City should not be charged for a daily boarding fee because no services were provided.

**Section 1.4** – Overcharges for euthanasia not consistent with the weight of the animals. This section was not in the original request. This section relates to the Shelter charging the City for euthanasia where the amount was inconsistent. For instance, an animal that weighed a few pounds and the City was charged \$100, whereas, an animal that weighed 30 pounds and the City was charged \$50 or \$75.

FSAH documented in their summary recap that IA never provided the data, it was not in the original request. However, once it was requested and a summary of schedule on 6/15/2023, IA provided the documents after 11:00 am on 6/15/2023 to the CPA. IA also explained that this was a finding, however we did not associate an overcharge to it and there is not a summary of schedule. A schedule of summary is not what IA puts together for operation and compliance audits, that is more for financial audits, and IA tried to explain that to the CPA again.

**Section 1.5** – Did not credit the correct amount due to the City for Animal Control Impoundment fee/citation fee.

FSAH agreed they owe the City the impoundment fees not credit in 2019, 2020, and 2021. However, they did not write that in their responses in this report. FSAH requested that the money be applied to

the City negative equity account. IA does not agree with that request and should be credited on the next reimbursement request. The City negative equity account cannot be verified and no documentation has been provided for the credit that should have been provided to the City all instances where the Shelter did not take animals because of it was at its limited capacity.

FSAH stated in this section that the City owes them \$217.75 regarding pre-existing conditions. IA reviewed their responses, documents, and animal records again and noted that the Shelter was still incorrect. One vet bill was charged to the City which included the animal being spay/neutered which the City does not pay for and therefore the City should have only paid the portion for the hernia. Another animal was charged to the City that FSAH agreed should not have been charged, however, Ms. Altman did not give a credit for one of them. Additionally, there were animals who were notated as healthy upon intake, however three weeks later were taken to the vet. There is no documentation to indicate in the animal records that this was a pre-existing condition. Moreover, Ms. Altman added to the charge the vetting and boarding fee that was already charged and paid by the City. IA concluded that the City was overcharged \$1660.

- the charge totaling approximately **\$9,580**. *See Appendix A, Section 2.1, page ? and exhibit ? for support.* **FSAH was not provided any data to review and respond.**
- 2.2 Inappropriate charges to the City for animals that were not vetted by the Shelter or received the services by the Shelter totaling approximately **\$2,475**. *See Appendix A, Section 2.2, page ? and exhibit ? for support.* **FSAH was not provided any data to review and respond.**
  - 2.3 Inappropriate charges to the City for animals from another program totaling approximately **\$1,570**. *See Appendix A, Section 2.3, page ? and exhibit ? for support.* **FSAH found that the city was overcharged \$730.00. There were duplicate animals included in this section, which IA already included in Section 1 1.3. There were animals that were returned after transport from FSAH and owner surrenders accepted from Kitties & Kanines Clinic. See pages 51-56 of FSAH Response to IA Audit.**
  - 2.4 Inappropriate charges to the City for animals that were adopted and returned to the Shelter. Approximately **72 animals**. *See Appendix A, Section 2.4, page ? and exhibit ? for support.* **FSAH found that the city was overcharged \$1,035. These are animals that were surrendered by Fort Smith Residents, which is acceptable per city contract Section 3.A. See pages 57-61 of FSAH Response to IA Audit.**
  - 2.5 Inappropriate charges to the City for animals that do not exist according to Shelter Luv totaling approximately **\$965**. *See Appendix A, Section 2.5, page ? and exhibit ? for support.* **FSAH found that the city was overcharged \$745.00. FSAH was unable to locate as well, ShelterLuv confirmed that the animal records had been deleted from the database. Paper intake forms were provided to IA. See pages 62-63 of FSAH Response to IA Audit.**
  - 2.6 Inappropriate duplicate charges to the City for animals that were already charged and who received medications/shots. Approximately **\$4,035** and **\$651** respectively. *See Appendix A, Section 2.6, page ? and exhibit ? for support.* **FSAH was not provided any data to review and respond.**
  - 2.7 Inappropriate charges for excessive days where the animals was not placed on quarantine, a hold, and/or cruelty totaling approximately **\$1,220**. *See Appendix A, Section 2.7, page ? and exhibit ? for support* **FSAH was not provided any data to review and respond.**
  - 2.8 Inappropriate charges to the City for animals that were paid by monies received from donations/grants. Approximately **86** animals. *See Appendix A, Section 2.8, page ? and exhibits ? for support.* **FSAH was not provided any data to review and respond.**
  - 2.9 Inappropriate charges to the City for animals that according to the animal record(s) did not receive or did not need the medications, shots, and/or vaccinations. Approximately **233** animals. *See Appendix A, Section 2.9, page ? and exhibit ? for support.* **FSAH was only provided with information on 37 of the animals the IA claims. Treatment was conducted based on FSAH veterinarian protocol. See pages 64-67 of FSAH Response to IA Audit.**
  - 2.10 Inappropriate charges to the City for animals that were not a cruelty case when the animals were first brought to the Shelter by Animal Control. The animals were available for adoption and almost four months later the animals were placed on hold for cruelty case with three other animals that were brought to the Shelter by Animal Control. Approximately **\$1700** total for two animals in Shelter care June 2022 with \$443 in question for outside vet care in October 2022. *See Appendix A, Section 2.10, page ? and exhibit ? for support.* **FSAH – Cruelty Charges information is provided by FSPD; if there are errors we will refund. FSAH was not provided with data from IA to review and respond.**

For the month January 2022 through July 2022 the amount identified above, not including the questionable outside vet services, totaled approximately **\$58,885**, which includes the fees the City should have received from impoundment fee credits (\$10,324 Shelter luv report - \$1989 from invoices submitted = \$8,710) and the **\$1700** identified in inappropriately cruelty charges from January 2023 respectively. **FSAH was not provided with details of the \$58,885 claimed by the**

***This part of the Internal Audits Assessment relates to the beginning of the overall findings in the report.***

**Section 2.1 and Section 2.2** – Inappropriate charges to the City for animals that were not in the Shelter’s care at the time of the charge. Inappropriate charges to the City for animals that were not vetted by the Shelter or received the services by the Shelter.

FSAH claims the data was not provided to review and respond. This is incorrect. IA provided the data, the page the finding was located, and provided on 2/7/2023 to the CPA. Additionally, IA explained that the amounts were already included in Section 1. A corrected spreadsheet was provided on 6/9/2023 with an explanation.

**Section 2.3** – Inappropriate charges to the City for animals by another program.

IA disagrees with the amount FSAH states that was inappropriately charged to the City for double billing and animals that were returned or from another program. Animals that were returned or received from another shelter/program is not the responsibility of the City and the City should not have been charged.

**Section 2.4** – Inappropriate charges to the City for animals that were adopted and then returned to the Shelter.

IA disagrees with the amount FSAH states that was inappropriately charged to the City for animals returned from the adoptee. IA concludes that if an animal was returned by the adoptee and the City has already fulfilled its obligation and the City should not be required to pay for the animal again because it didn’t work for the adoptee.

**Section 2.5** – Inappropriate charges to the City for animals that did not exist in ShelterLuv.

A disagrees with the amount FSAH states was inappropriately charged to the City for animals that were not in Shelter Luv. The forms that were provided for a couple of the animals were surrender forms and animal control intake forms. However, no other documentation was provided to show the Shelter provided vetting services and how long the animal was in the Shelter.

**Section 2.6** - Inappropriate duplicate charges to the City for animals that were already charged and who received medications/shots.

FSAH claims the data was not provided to review and respond. This is incorrect. IA provided the data, the page the finding was located, and provided on 2/7/2023 to the CPA. Additionally, IA explained that the amounts were already included in Section 1. A corrected spreadsheet was provided on 6/9/2023 with an explanation.



**Section 2.7** - Inappropriate charges for excessive days where the animals were not placed on quarantine, a hold, and/or cruelty.

This section was not in the original request. Animals were not placed on quarantine, had a hold or cruelty charge and was inappropriately charged to the City. IA reviewed the animal records and validated with the animal control service intake form if the City should have been charged.

**Section 2.8** - Inappropriate charges to the City for animals that were paid for by monies received from donations/grants.

This section was not in the original request. Ms. Altman agreed that the City does not pay for feral cats publicly and to IA. However, she is now claiming that the feral cats are under a section of the contract, which is not correct. The Shelter received a check in 2021 and 2022 that paid for feral cat spay/neutering, shots/vaccinations, and ears clipped. The City should not be charged for feral cats.

**Section 2.9** – Inappropriate charges to the City for animals that according to the animal record(s) did not receive or did not need the medications, shots, and/or vaccinations.

IA provided the data, the page the finding was located, and provided on 2/7/2023 to the CPA. IA explained that the amounts were already included in Section 1. A corrected spreadsheet was provided on 6/9/2023 with an explanation. IA disagrees with the amount FSAH responses for the information provided. City was charged for treatments where the animal was negative, where testing wasn't done, and charging for vetting services that were not provided.

**Section 2.10** – Inappropriate charges to the City for animals that were not a cruelty case when the animals were first brought to the Shelter by Animal Control.

This section was not in the original request. Inappropriate charges to the City for animals that were not a cruelty case. IA reviewed the animal records and the Animal Control Service Intake forms and noted that the City was charged inappropriately and brought this to the PD's attention. They agreed with the inappropriate charge for \$1700 that was identified in the report.

auditor to review and respond.

Not all cruelty charges are cases and could be where Animal Control will cite the owner with a ticket to pay. It appears that the City was charged for animal holds that were not specifically related to cruelty cases. FSAH worked with FSPD to determine charges. No documentation was provided to FSAH by IA to review and respond.

This accounts for approximately **13%** of the monies paid to the Shelter that was overcharged and/or inappropriately charged to City for the animals entrusted in their care. Additionally, the amounts from number one, two, and from information below (water/sewer adjustments **\$32,096** and increased fixed cost **\$10,607**) totaled approximately **\$101,588**.

FSAH water bill was waived from 2019 to 2023. See page 72.

FSAH fixed cost was increased by \$10,607.00 effective 1/1/23. See page 73-74.

## **Appendix B – Financial(s)**

### **Section 3 – Procedures**

3.1 No segregation of duties for cash/accounting functions. *See Appendix B, Section 3.1, page ? and exhibit ? for support.* FSAH hired an accountant in 2021 and 2022. Neither accountant remained in the position for longer than a couple months. An accounting firm was hired in January 2023.

### **Section 4 – Shelter Account(s) and Business Account(s)**

4.1 Co-mingle of funds between personal businesses and Shelter account(s). *See Appendix B, Section 4.1, page ? and exhibit ? for support.* Funds were not co-mingled between business and shelter accounts. The business checks written to the shelter were donations. See pages 75-105.

4.2 Checks written to Ms. Altman, Treasurer, by Ms. Altman. *See Appendix B, Section 4.2, page ? and exhibit ? for support.* Checks written to Ms. Altman were with full FSAH board knowledge and reimbursements of personal loans made by Ms. Altman to FSAH. There was no interest charged on these loans and the short-term loan balance is \$0. See pages 75-105.

### **Section 5 – Shelter Account(s) and Checks**

5.1 Check number(s) were duplicated. Duplicate checks were written for different amounts, different dates, and to different businesses/people. *See Appendix B, Section 5.1, page ? and exhibit ? for support.* This was a check printing issue. All bank accounts balanced to accounting software.

5.2 Reconciliation Detail reports did not contain correct check/debit/credit information. *See Appendix B, Section 5.2, page ? and exhibit ? for support.* FSAH confirms bank account balances with prior accountant during 2022.

### **Section 6 – Shelter information and Profit and Loss Statement**

6.1 Profit and Loss Statement does not appear to have correct information reported. *See Appendix B, Section 6.1, page ? and exhibit for support.* FSAH does not allocate between Paypal and Credit Card charges due to system limitations. The value added to split these items out does not outweigh the amount of time it would require.

6.2 Excessive checks written for cash that did not contain supporting documentation. *See Appendix B, Section 6.2, page ? and exhibit for support.* FSAH was not provided backup to review and respond.

***This part of the Internal Audits Assessment relates to the beginning of the overall findings in the report.***

**Section 3.1** – No segregation of duties for cash/accounting functions.

FSAH states they hired an accounting firm.

**Section 4.1** – Personal and Personal Business funds notated in the Shelter account.

IA disagrees with the FSAH statement that funds were not co-mingled between the personal and personal business accounts and the Shelter accounts. Not all personal business checks were donations. It was noted that a number of personal business checks were written as loans and some were not notated as a loan or donation. Additionally, not all had support to verify where the check came from.

**Section 4.2** – Checks written to Ms. Altman by Ms. Altman.

IA disagrees with FSAH statement that there was full FSAH Board knowledge and reimbursements of personal loans made to Ms. Altman. There is no documentation and the FSAH Board agreed that they did not have any minutes that would support that statement. The interest being charged to the Shelter has never been a finding or topic, therefore it has no bearing on the finding. Additionally, Ms. Altman states that the short-term loan balance is \$0. However, IA has identified four (4) checks that Ms. Altman wrote were from her personal business or personal account that did not state if it was a loan or a donation. Moreover, support was not provided to identify where the checks came from, and a \$50,000 unidentified check that was deposited in 2019.

**Section 5.1** – Check numbers were duplicated.

IA disagrees with FSAH statement that were check printing issues and that all bank accounts balanced to the accounting software. IA noted that the checks were written for one date, amount, and payee, however the following months the check number was issued again but with a different date, amount and payee. IA noted also where the reconciliation detail report had large adjustments entered. Additionally, if there were check printing issues, those checks would have been voided and reentered into the accounting software used. Ms. Altman has to enter the information into the accounting software to be able to print the checks. Lastly, IA noted invoices identifying extra charges from prior accountants were related to reconciliation issues of the Shelter account.

**Section 5.2** – Reconciliation Detail Reports did not contain correct check/credit/debit information.

IA disagrees with FSAH statement that they confirmed bank account balances with prior account during 2022. In order to do a reconciliation with the bank accounts the Reconciliation Detail Report would be used and that information should be correct in order to identify any discrepancies. Additionally, no documentation was provided to show the reconciliations and no documentation was provided to show the accountant confirmed the accounts.

**Section 6.1** – Profit and Loss Statements do not appear to have correct information reported.

IA disagrees with the FSAH does not allocate between Payal and credit card charges due to system limitations. IA was able to pull a detailed transaction report from Shelter Luv. The report identified transaction numbers, donations, discounts, total credits, total debits, total paid, debit or credit card, check, cash, and refund. Therefore, credit card information in the system is not limited. Additionally, the shot clinic information provided sectioned out what was paid in cash, check, and credit cards. This would have allowed for the credit card information to be added to the shot clinic section just as cash and check had to reflect a true snapshot of what activity happened at that time.

**Section 6.2** – Excessive checks written for cash that did not contain supporting documentation.

This section was not in the original request. Excessive checks written for cash did not contain supporting documentation.

- 6.3 Past due and late fees on payables. *See Appendix B, Section 6.3, page ? and exhibit for support.* **FSAH was not provided with backup information to review and respond.**
- 6.4 Monies earmarked by donations/grant funding(s) were deposited into a savings account and could not identify that the monies was used according to the donor(s) request. *See Appendix B, Section 6.4, page ? and exhibit for support* **FSAH was not provided with backup information to review and respond.**
- 6.5 Shelter does not provide support for animals held and charged to the City additional fees due to owner cruelty issues. *See Appendix B, Section 6.5, page ? and exhibit for support.* **FSAH bills the cruelty issues based on what FSPD determines.**
- 6.6 Shelter does not provide support for the impoundment fees. *See Appendix B, Section 6.6, page ? and exhibit for support.* **FSAH provides detail support on the FSPD billing sheet as a separate line item.**
- 6.7 Water and Sewer bill adjustments given for entire amount each month by the City Administrator from September 2019 through present totaling **\$32,096**. The Shelter receives as part of their monthly fixed amount that includes water and sewer, therefore the amount should not be adjusted and paid by the Shelter. The Utility Department is a revenue generating department and the monthly fixed amount paid to the Shelter comes from the General Fund. *See Appendix B, Section 6.7, page ? and exhibit ? for support.* **FSAH water bill was waived by City from 2019 forward. See page 72.**
- 6.8 An invoice submitted for the January 2023 monthly fixed cost had an additional **\$10,607** added for fixed cost billing new employees and fixed cost billing increase capacity. The invoice totaled **\$66,907** and another was submitted in February with the same amount. *See Appendix B, Section 6.8, page ? and exhibit ? for support.* **FSAH monthly fixed cost increased by \$10,607 effective 1/1/23. See page 73.**

## **Appendix C - Animals**

### **Section 7 – Laws/Protocols**

- 7.1 Animals were euthanized and/or rabies shots outside of the required Arkansas laws/protocols.
  - 1.6 *See Appendix C, Section 7.1, page ? and exhibit for support.* **FSAH was not provided with backup information to review and respond.**
- 
- 7.2 Animal records must remain onsite at all times and are to be documented accurately. *See Appendix C, Section 7.2, page ? and exhibit for support.* **FSAH confirmed with contracted veterinarians that this is incorrect. The records are owned by the vets.**

### **Section 8 – Animal Records and Medical**

- 8.1 Animal and/or animal record(s) discrepancies. *See Appendix C, Section 8.1, page ? and exhibit ? for support.* **FSAH was not provided with backup information to review and respond.**
- 8.2 Animals received duplicate shot/vaccines. *See Appendix C, Section 8.2, page ? and exhibit ? for support.* **FSAH veterinarian, Dr. Ashworth, these are part of protocol. See page 106.**
- 8.3 Duplicate animals records. *See Appendix C, Section 8.3, page ? and exhibit ? for support.* **FSAH was not provided with backup information to review and respond.**
- 8.4 Medical information not recorded and/or recorded properly. *See Appendix C, Section 8.4, page ? and exhibit ? for support.* **FSAH was not provided with backup information to review and respond.**
- 8.5 Animals received multiple chips. *See Appendix C, Section 8.5, page ? and exhibit ? for support.* **FSAH was not provided with backup information to review and respond.**
- 8.6 Animals remained in Shelter with possible injuries for multiple months before taken to a local veterinarian for medical treatment. *See Appendix C, Section 8.6, page ? and exhibit ? for*

***This part of the Internal Audits Assessment relates to the beginning of the overall findings in the report.***

**Section 6.3** – Past due and late fees on payables.

This section was not in the original request. Past due and late fees on payables.

**Section 6.4** – Monies earmarked by donations/grant funding(s) were deposited into a savings account could not identify that the monies were used according to the donor(s) request.

This section was not in the original request. Monies earmarked by donations/grant funding were deposited into a savings account and could not identify that the monies was used according to the donor(s) request.

**Section 6.5** – Shelter does not provide support for animals held and charged to the City additional fees due to owner cruelty issues.

IA disagrees with the FSAH statement that they bill the cruelty issues based on what FSPD determines. Ms. Altman stated to IA on 6/19/2023 that she had a better understanding of the cruelty cases. IA reiterated that not all animals deemed vicious and such were cruelty cases and that the documentation needed to be attached that identified it as a cruelty and to hold until Animal Control Services released the animal or gave a disposition regarding the animal.

**Section 6.6** – Shelter does not provide support for the impoundment fees.

FSAH statement that the detail support on the FSPD billing sheet as a separate line item does not address the finding. No support for the impoundment fees are attached. A report can be provided behind the billing that identifies impoundment fees and that amount can be support for the amount listed on the billing.

**Section 6.7 and 6.8**

The water and sewer bill, and the increased billing is a City item and has been removed from this report. The Board should review this item and decide on the findings.

**Section 7.1** – Animals were euthanized and/or rabies shots outside of the required Arkansas laws/protocols.

This section was not in the original request. IA received an original response from FSAH on 6/15/2023 that the Vet Techs will confirm the animal is not in quarantine period before bringing the animal to Vet for Rabies shot. Usually animals that are euthanized before the expiration of quarantine the head is sent to Little Rock. IA does recognize that FSAH did agree to the finding. Additionally, IA did verify with Little

Rock through email and phone call that no animal heads were shipped as required to the Health Department.

**Section 7.2** - was removed from the report and section 7.3 replaced this section.

However, IA would like to note that FSAH comments were contradictory. FSAH stated they confirmed with contracted veterinarians that the animal records did not need to remain onsite at all times and documented accurately. Also that the records are owned by the vets. IA did not dispute that the records were owned by the vets. However, the records are owned by both the Shelter and the Vet. Additionally, the records are required to be documented accurately. Especially if the records are requested by the animal owner in order to provide it to the animal's new veterinarian. Lastly, the Arkansas Veterinary Medical Examining Board does identify the requirements for animal record keeping in 092.1-5 Recording Keeping.

**Section 7.2 (was section 7.3)** – The Shelter is required to document the basis for the euthanasia for all animals.

IA did not receive a response regarding this finding. The finding was the Shelter is required to document the basis for the euthanasia for all animals. IA identified euthanized animals where no documents were provided why the animal was euthanized or who performed the euthanasia.

**Section 8.1** – Animal and/or animal record(s) discrepancies.

This section was not in the original request. IA had a discussion with Ms. Altman who agreed that the changes made with Animal Control Services were good recommendations. IA had recommended that Animal Control Services and the Shelter sign the Animal Control Intake Form so there were no disputes about not receiving or completing the form for record keeping requirements. Additionally, Ms. Altman stated she had also saw where the correct animal records were not attached to the animal it belonged to.

**Section 8.2** – Animals received duplicate shots/vaccines.

This section was not in the original request. IA did meet with the Veterinarian and discussed the animals receiving duplicate shots/vaccinations. While IA recognizes that according to the veterinarian it is not harmful to the animal and that it builds up a stronger immune system, the expense does adds up and that money could be used to pay other expenses.

**Section 8.3** – Duplicate animal records.

This section was not in the original request. This finding related to an animal having duplicate animal records.

**Section 8.4** – Medical information not recorded and/or recorded properly.

This section was not in the original request. This finding related to Animal records medical information not recorded/or recorded properly.

**Section 8.5** – Animals received multiple chips.

This section was not in the original request. This finding related to animals receiving multiple chips, even when information was already in animal record. IA provided information to the Veterinarian as requested.

**Section 8.6** – Animals remained in Shelter with possible injuries for multiple months before taken to the veterinarian for medical treatment.

This section was not in the original request. IA did have a discussion with the Veterinarian regarding a specific animal. IA would like to note that there has been many contradictory statements regarding Dallas by FSAH.



*support.* **FSAH was not provided with backup information to review and respond other than Dallas. FSAH veterinarian, Dr. Asworth discussed the specific details of Dallas' case with IA.**

8.7 Animals documented in the record as having a specific chip number, breed, color, age, altered, and having been transported however, approximately five months later attached to the same animal record documents identifying a different chip number, color age, breed and was altered and was a cruelty case with different owners. Invoice attached showing the animal was altered and records documented the animal was transported out on same day. *See Appendix C, Section 8.6, page ? and exhibit ? for support.* **FSAH was not provided with backup information to review and respond.**

**Detailed Findings begin on page 13 of the report.**

***This part of the Internal Audits Assessment relates to the beginning of the overall findings in the report.***

**Section 8.7** – Animals documented in the record as having a specific chip number, breed, color, age, altered, and as having been transported, however, approximately five months later attached to the animal record, documents identifying a different chip number, color, age, breed and was altered and was a cruelty case with different owners.

This section was not in the original request. This finding related to animals documented in the record with specific information, however attached to the animal profile was different animal record information and relating to a cruelty case.

**Observations FSAH was only allowed to limited input and was not provided with detailed backup information to review and respond.**

During the course of the audit of the Shelter, IA noted observations that are as follows:

- O.1 The Animal Intake Form was modified and doesn't capture the animal information correctly.
- O.2 If heartworm test or other vetting is not performed a discount was not given to the City.
- O.3 Anima(s) on stray hold for multiple months but no information for extended hold was documented.
- O.4 Best Friends have access and ability to perform actions in Shelter Luv on behalf of Shelter. It was noted that information was not entered correctly.
- O.5 Animal was euthanized after it was adopted and returned without explanation/documentation.
- O.6 No documentation in animal record for purpose or authorization of medication.
- O.7 Animal Intake Form notated animal was hit by a car and no x-rays were performed.
- O.8 Citizen fostered a number of animals and documentation in record states they were removed because of malnourishment each time, however, not until approximately the 9<sup>th</sup> foster by the citizen was a tag placed on the person to no longer allow them to foster animals.
- O.9 Animal was too young to receive vaccines and City should not be charged until animal is old enough if still in Shelter.
- O.10 Animals records documented with procedures by vet as "exploratory".
- O.11 Shelter received animals without ensuring the Animal Control form was completed with necessary information. No documentation for reason animal was transported to Shelter.
- O.12 Shot/vaccination stickers not on animal forms to provide evidence of information.
- O.13 Animal owner was arrested and animal brought to Shelter, owner was released and it appears several months later fostered the dog and then adopted his own animal. The animal was also heartworm positive and did not receive treatment until eight (8) months in Shelter and was fostered by its owner.
- O.14 Mileage reimbursement to an employee who drove the Shelter van for transporting animals.
- O.15 The drugs that are required to be locked and access controlled are not properly secured and the log is not adequately documented with the required information. The DEA requires Buprenorphine, Ketamine and TKY to be securely locked, minimal access, and a control substance log maintained for these drugs. IA reviewed access controls and noted that there were people who should not have had access because they were not licensed or authorized to administer the drugs. Additionally, the log that maintains the drug usage is not documented consistently/correctly with who administered the drugs, date, etc....
- O.16 The By-Laws state that they are to only serve three (3) years on the Board.
- O.17 Animal adoption transactions reversed and the amount divided between an adoption and donation transaction.
- O.18 Appears donation for adoption of a specific animal, animal was transported out to another Shelter, and money was placed in an employee drawer.

## **Recommendations**

### ***Board of Directors terminating the contract***

1. The City contracted with Animal Haven in 2019 after discontinuing contracting services with a prior non-profit organization to provide animal Shelter services for animals in the City of Fort Smith. Due to the number of findings, the Board of Directors should consider severing the current contractual agreement and consider alternatives outside of Fort Smith Animal Haven. There are area animal programs that could assist the City with animal care until the Board of Directors decide their course of action.

Additionally, there are outside agencies/programs that offers free of charge onsite consultation by performing assessments necessary to implement the correct procedures and protocols that will optimize the care for the animals. For instance, Team Shelter USA, which is funded by Maddie Million Pet Challenge (MMPC), assessment team will provide expertise and make recommendations in management of employees and volunteers, access to focus spay/neuter and subsidized veterinary care, population management, intake policies, and physical and behavior of wellness. Written recommendations will be provided by the assessment team that address enforcement efficiencies to provide for public and animal safety, decrease intake, decrease length of stay in the Shelter, and increase live outcomes to end euthanasia as population control. **FSAH has worked with Best Friends Animal Society of NWA since 2019, which provides recommendations for operations and procedures.**

This will also allow for the proper protocols and procedures to be put into place to ensure the City mitigates its risk and liabilities as effectively as possible. Ensure laws and Shelter requirements are followed and adhered to. **FSAH has worked with Best Friends Animal Society of NWA since 2019, which provides recommendations for operations and procedures.**

2. The Board should discuss and develop an action plan (succession plan) that allows the City to continue addressing animal care in the event the contracted services are no longer viable. The succession plan allows the City to make that transition and continue with the necessary animal care. This plan should be reviewed periodically to address important changes that may have transpired after the original action plan was developed. \_

### ***Board of Directors continuing the contract***

3. Animals who are injured or need medical attention should be taken to the outside vet clinic without delay for the necessary care. **FSAH treats animals based on veterinarian protocol and works with outside vet clinics as necessary and directed by contracted veterinarians.**
4. The City should ensure that the Shelter utilizes a program that will come to the Shelter that educates and helps establish the Shelter correctly. For instance, there has been discussions regarding a program called “Maddies Fund” with assisting not only set up the Shelter correctly with admissions & intakes, animal & population management, animal behavior, and training and enrichment. Maddies Fund has grant opportunities, national partnerships and a foster assessment system and programs. **FSAH has worked with Best Friends Animal Society of NWA since 2019, which provides recommendations for operations and procedures. City administrator and FSPD have been involved with conference calls between FSAH and Best Friends.**
5. The Shelter should ensure that the charges submitted to the City for reimbursement are

accurate. Any discrepancies should be researched and if the discrepancies still do not have a conclusion, documentation should be made and an inquiry made with the City. FSAH bills are reviewed by FSPD.

6. The Shelter should not charge for heartworm treatment until treatment is complete. The records should be attached to show positive heartworm test and the treatment sheet to show the animals received the proper heartworm treatment care. FSAH cannot hold charges for heartworm treatment until it is complete because the cost is incurred at the beginning of treatment and the necessary administrative paperwork would be burdensome to the shelter staff.
7. The Shelter should attach cruelty case information in the animal record. Additionally, the Shelter should submit with each invoice for cruelty cases, quarantines, holds, etc... the documentation that supports the extra charges to the City. Furthermore, the Shelter should submit the list of animals still being held under these categories so that the PD can verify with their records that the animals still on hold are correct. FSAH works with FSPD to provide details of animal cruelty cases.
8. Animal records should be researched to ensure the animals are to receive the shot/vaccination, medications, microchips, treatments, etc. Additionally, records should be documented accurately, to include hold cases, treatments, veterinarian visits, behavior issues, reason for euthanasia, etc... FSAH has updated protocols
9. KKFS-A numbers that are deleted and not used should be documented and maintained with the explanation for the deletion with support attached. FSAH has worked with ShelterLuv to limit the ability for records deletion. When records are deleted numbers are assigned by the software.
10. There should be separation of duties for cash management. Additionally, NO person should be depositing personal funds into the Shelter account and writing themselves checks. All checks written should have accurate support for each expense. FSAH has separate accounting firm to manage all accounting functions. Checks written to individuals since 2019 have appropriate backup see pages 73-103 for examples.
11. The Profit and Loss Statement should contain accurate information with the correct documentations attached to support the statement. FSAH has a separate accounting firm to manage all accounting functions. It will manage this process.
12. Establish a contract with a clinic that will perform necessary animal care for a specific price. FSAH is working to establish a contract with an outside clinic.
13. Animal records should be audited by someone at the Shelter to ensure that the information is correctly captured and the animal is not overmedicated, vaccinated, microchipped, etc....FSAH does not currently have the staff to support this, it is agreeable to hiring an additional clerical staff to support this function.

***This part of the Internal Audits Assessment relates to the Observations noted in the report.***

**Observations** – This section was not in the original request. Observations are not findings and are items to consider when changing the procedure or protocol.

***This part of the Internal Audits Assessment relates to the Recommendations to the Board of Directors.***

**Recommendations to the Board** – These are IA's recommendations to the Board and not a section for the Shelter to have a response.

14. When an animal is surrendered by the owner that requires medical care for injuries or other medical conditions, the City should not pay/ for those services and then the animal returned to its owner. FSAH agrees and will in the future. FSAH was not provided any backup information to review and respond for 2022.

Audit recommendations are not all inclusive of what has been identified above.

### **Audit Areas**

Administration asked IA to include in the audit four areas of the Shelter. The following information was identified during the audit regarding those specific questions.

#### **Cost to the Shelter**

**Administration asked if moving away from the clinic increase the cost to the Shelter (medical cost, transportation cost, amount of time).** Internal Audit reviewed the veterinary bills submitted for reimbursement by Kitties and Kanine Shelter and compared the invoices for different services. The following comparison of invoice charges were noted:

- Kitties and Kanines Veterinary Clinic charged \$50 for male dog neuter and two other area clinics charged \$126 and \$135 each. FSAH engaged with Dr. Randy Hubbs who provides all spay and neuters at a \$0 cost to the shelter for his time. The only cost incurred by shelter is for supplies. A \$33,000 donation was made to offset cost during the transition period away from Kitties and Kanines Vet Clinic.
- Kitties and Kanines Veterinary Clinic charged \$50 and \$75 for an amputation and a different clinic charged \$450 each. This services was provided when Dr. Randy Hubbs was vet at KKC.
- Kitties and Kanines Veterinary Clinic charged \$50 for anesthesia and a different clinic charged \$90 each. FSAH now has a machine we will charge per quarter hour.
- Kitties and Kanines Veterinary Clinic charged \$15 for euthanasia and another clinic charged \$75 each.
- Shelter charged/invoiced the City for euthanasia that were not consistent with the size of the animal. FSAH was not provided with documentation to review and respond.
- Shelter charged/invoiced the City for ringworm test and cremations. Ringworm tests are a valid medical expense for animal care. FSAH was not provided with information on cremations to review and respond.

IA reviewed the expenses, payables and bank statements. The charges were compared to the different clinics the animals were taken to for services. The Kitties and Kanines Veterinary Clinic is within a block of the Shelter and the other clinics are scattered throughout the City. Therefore, it appears the Shelter is not utilizing the most cost effective locations for those services. KKC did not have consistent vetting services available in 2022 for care of animals. We now have Dr. Randy Hubbs for surgery and vetting during the week with Dr. Chris Ashworth during the weekend. Weekend and after hours sent FSAEC.

#### **Spay and Neutering**

**Administration asked if the number of spayed and neutered animals decrease.** IA could not locate a specific report that would give accurate information regarding spayed and neutered animals without going into each animal in ShelterLuv and reviewing the records. FSAH is up to date on alterations.

***This part of the Internal Audits Assessment relates to the audited areas requested by Administration.***

**Audit Areas requested by Administration:**

***Cost to Shelter*** – This section was a question relating to moving away from the Kitties and Kanines Clinic for medical increase the cost to the Shelter. IA identified through invoices submitted to the City for reimbursement what were the differences. The Shelter responded to this section and the information does not relate or is relevant to the data provided.



**Administration asked if there was an increase in the number of animals held by the Shelter during the change in spaying and neutering providers?** IA cannot report accurate information regarding the spaying and neutering without reviewing each animal in Shelter Luv and performing an analysis, however IA did review the animals in the Shelter and the animals transported. It appears the number of animals in transports have decreased by almost 50% in 2022 from year 2021. Year 2020 and year 2021 stayed relatively close in transport numbers.

Identified animals in the information that the animal was received, euthanized and then adopted.

### **Trap Neuter Release**

Two women who operated a TNR program out of the Shelter met with IA. It was explained that the Shelter received grant funds from Alley Cats, for the TNR program to operate. The grant was provided to Kitties and Kanine Clinic in 2019 and 2020 and then the Clinic turned it over to the Shelter in 2021. Alley Cats provided it to the Shelter in 2022 to continue the program. The grant money received was to be used towards the spay and neutering of feral cats. The TNR ladies maintained records of each feral cat that was brought to the clinic and identified which location and colony it came from in order to return the cat to that location. **FSAH did not receive a grant for TNR, in we received 2022 \$2,500 from a donor, previous donations were to Kitties & Kanines Clinic that money was not forwarded to shelter. They originally came to shelter as volunteers and gradually became employees. They were given ShelterLuv ID's and responsible for their own data entry.**

The TNR ladies explained that they trapped the feral cats and brought them through the back-intake area and placed them in the closet area to keep separated from the rest of the population. Additionally, since they were feral cats no one at the clinic could do an intake or provide any shots. The feral cats were transported to the clinic, and later to Prairie Grove, where the cat would receive, if needed, shots; testing; and spayed/neutering. If the cat was male, most of them were released the same day. If the cat was female, most of them were released that day or the next day. The TNR ladies also stated that they would inform the personnel to document in Shelter Luv that the cat was released, however it was not always entered timely. **TNR ladies were provided with their own ShelterLuv ID's and were responsible for their own data entry.**

Lastly, the TNR ladies stated they asked Ms. Altman for an accounting of the grant money to verify back to their records and request the remaining money in order to continue the program through another animal program. However, they were unable to get a complete accounting of the funds. IA requested the information from Ms. Altman and from the properties of the electronic spreadsheet it appears it was created in June 2022 and the information had charges from the prior years. Grant/Donation money was received by the Clinic in 2020 and the invoices obtained from the Clinic reflects that the Clinic used the grant money for feral cat spay and neutering. The charges in 2021 should have been charged to the grant money received in 2021. IA has not been provided any information for 2021. **FSAH did not receive money for 2021. More money was spent on their than donations Shelter paid the spay/neuter fees.**

IA identified charges by the Shelter for feral cats that were not vetted at the Shelter because they are feral. The vaccines, testing, spayed or neutering for these animals was done by the Kitties and Kanine Clinic and Prairie Grove. IA obtained the invoices from the Clinic that identifies what the feral cat received and if the charge were charged against the grant money. The City should not have been charged for vetting since the Shelter could not do an intake form, shots, or euthanasia. Majority of the feral cats were released the same day, except some females would be released the next day. The

Shelter was not diligently putting the information in the system of the feral cat being released back into the colony. IA identified multiple charges to TNR for a feral cat already altered. Shelterluv was the responsibility of TNR Ladies for intake date and release dates.

**Administration asked if whether the City was charged for cats brought in by the TNR program and if so, for what services or care did the City pay. The women also mentioned that the TNR program paid for cat food for the entire Shelter.** Information IA received and understands from inquiring with the TNR ladies is that a discount from Hills Science was provided to them to use for the Shelter and the Feral Cats. Hills Science Rep would have to be contacted to verify the information. Shelter reimbursed TNR for food after they provided a handwritten bill, new management required documentation of the items. As identified above the City was charged for feral cats that were not vetted by Animal Haven and those services were paid from the monies received by Alley Cats. Therefore, the City should not have been charged for services Animal Haven did not provide to those feral cats. IA identified from January through May 2022 approximately \$5,855 and random samples were taken from years 2019 through 2021. FSAH was due the vetting done by KKC & Rabies as those bills were paid by FSAH. It was also due the boarding expense. FSAH Board determined discontinued the TNR program since it was only focused on a small group and didn't service other TNR programs in FSM.

### Transports

**Administration asked if transports have dropped since the change in ED (Executive Director) and the next transport is scheduled for August.** IA ran reports in Shelter Luv regarding transports. However, it was noted that the information in Shelter Luv is not always accurately maintained or timely. IA identified an animal that was transported in March 2022 however, the information regarding the transport was deleted and another animal was added to the same record. IA reviewed the transport information by month and year as requested by City Administration. Year 2020 had approximately 1141 animals transported, in year 2021 had approximately 1000 animals transported, and in year 2022 until 9/20/22 had approximately 503 animals transported. The beginning of 2022, the Executive Director resigned and appears the Shelter has had a 50% drop in transports in that year. FSAH 2020 transports were 1,140 with 448 adoptions 256 Return to Owner, which is 82% of intakes, 2021 transports were 1,001, Adoptions 504, Return to Owner 258, which is 76% of intakes, 2022 transports 641, Adoptions 899, Return to Owner 207, which is 78% of intakes.

City Administration requested the transport information by month, the number of animals transported, and an explanation for any increase or decrease in transports. While IA could provide the transport information by month, number of animals transported, IA would not be able to obtain or corroborate the reason for the increase or decrease of transported animals. FSAH Transports decreased in 2022 because many shelters we transport to received animals back that were adopted during Pandemic which decreased their ability to accept our animals. This decreased also was part of loss of Three Girls Rescue in Oklahoma.

**Related to transports, did the Shelter send animals that were not spayed or neutered or were positive for heartworm?** IA was able to obtain confirmation from Shelters that received animals from Fort Smith that were heartworm positive, and not all animals were spayed/neutered. Ms. Altman stated in a Board meeting that the animals were not transported from the Shelter that were heartworm positive, however, as previously stated we noted a number of animals who were transported to other out of state Shelters heartworm positive, as well as not spay/neutered. Ms. Altman did state we did not ship HWP animals this was based on incorrect information received. Many of our partners did not accept HWP animals. If animals were too young, they would not be spayed/neutered before transport.

**If the answer is yes to either condition, was the Shelter reimbursed?** IA was not able to identify if the Shelter received reimbursement or identify where the Shelter sent monies because not all deposits had documents supporting the deposit. Additionally, the records/record keeping is not organized, complete, and/or correctly reported and therefore could not positively identify any reimbursement(s) or transaction(s). FSAH did not receive reimbursement for HWP animals, we did receive one reimbursement for spay and neuter.

IA did observe two check totaling \$250 issued to the Shelter and deposited for transports by an outside program. FSAH did receive from a partner for transporting some of their animals. City of Fort Smith does not fund transports.

### **Euthanasia**

**Administration asked if the number of euthanized animals increased or decreased during 2022 and if so, why.** 2021 had 115 and 2022 appears to be going in that same trend based upon the report pulled and 4 ½ months left in the year. Documentation is not properly maintained or documented and/or able to be collaborated for the reason of the increase/decrease of euthanasia. For instance, when an animal is euthanized the record of such is not properly documented by adding the reason(s), who performed it, or information accurately entered into the animal record.

Additionally, in order to evaluate euthanasia, there should be extractions of some information that would be initially captured in the reports. If the Shelter is stating that they have euthanasia less than 10%, are they removing from the intake animals that were returned because that animal was already captured in the count from the initial intake, including animals that were in foster homes. Animals that were incorrectly captured twice should also be removed from the intake number, as well as animals who died in the Shelter and not euthanized. The Shelter should ensure they know where the intake numbers are populating from because IA identified through research that some screens have that the animal died and some screens have that the animal was euthanized. Lastly, should animals who are transported back to the Shelter from another Shelter, transported out, or entered as an intake animal even though it was received from another program and transported with the Shelter animals be included in the intake number. This information is available from the Basic Animal Stats that we send monthly to City. Euthanasia is 4% +/- consistently.

Again, IA identified in ShelterLuv that the records of animals are not consistent with the proper documentation, correctly entered, attached to the correct animal, have all necessary information attached, and information completed correctly. Therefore, information or reports obtained from the system cannot be fully relied upon without knowing where information is pulling from and having specific protocols to ensure the information is in the system correctly.

IA identified where an animal was documented as being euthanized, however the animal record two weeks later has recorded that the animal was adopted. The Shelter needs to ensure animal records are accurate and correctly documented, especially when operating as a low kill Shelter and an area that is an interest to the community—. FSAH agrees and has asked the auditor to provide checklist of what she wants to see and requested she come to shelter educate the employees. She declined so she could remain Independent.

***Trap Neuter and Release*** – This section was a question regarding if the City was charged for feral cats. The Shelter states that they only received a \$2500 check from Alley Cats. However, IA provided them with a copy of the check and the ledger to show the Shelter also received on in 2021 that was signed over to them. According to the information provided the TNR information was completed by the front office with all other animal information. This was validated by the name associated with the entry in ShelterLuv. The City does not reimburse for feral cats, this was also stated publicly by Ms. Altman multiple times. These services were paid for by utilizing the Alley Cat monies received by the Shelter.

***Transports*** – This section was a question regarding if transporting of animals have decreased. The Shelter responded with approximately the same numbers as IA reported. However, there were additional information added that were not relevant to the question. Additionally, the Shelter responded to an observation regarding an outside program paying for animal transports and that the City does not pay for transports. IA did not reference or state that the City paid for animal transports.

## Detailed Findings

In addition to the areas inquired about above, IA identified other potential risk and/or liability areas to the City. Those areas included charges to the City for vet medical services, medications, vetting and daily fees, Animal Control Services, and Cash/Bank procedure controls.

IA identified veterinarian medical service invoices with charges that the City should not have reimbursed the Shelter. For instance, cremation, vaccinations, testing, shots, etc... Additionally, the contract has traps listed as part of the fixed cost estimate charged monthly to the City, however there is a section in the contract that also allows for the Shelter to charge for up to forty physical traps annually and not exceed \$1,100 per calendar year. **City did not pay for cremation, and neither should have shelter, we have contracted with company in Oklahoma that provides animals to Veterinary schools.**

## Appendix A – Charges to the City

**Section 1– Cost/Overcharges (Amounts listed are from January 2022 through July 2022, however IA identified same findings in random sampling for 2019, 2020 and 2021 but are not included in the totals)**

1.1 Overcharging for medication(s). Shots/vaccinations already included with the first day of vetting were charged to the City. Prevention treatments that are part of the first day vetting cost of \$45. Panacur, worming treatments, Bravecto, Revolution, and other flea and tick medications are listed out in the contract what the vetting fee covers. However, it was noted that each month there were multiple charges of these medications in the amounts submitted to the City for reimbursement. *See Exhibit ? for support.* **FSAH found that the city was only overcharged by \$783.00 for the months of January 2022 through July 2022. Additional treatments were provided outside of standard \$45 Vetting Fee. See pages 3-23 of FSAH Responses to IA Audit**

1.2 Overcharging for medication(s) for animals that did not receive and/or the complete treatment. FeLV test not consistently conducted on animals. This test is a blood test used to detect exposure to or infection of the leukemia virus and feline immunodeficiency virus. Additionally, not all animals received a Parvo and/or Distemper shot, which is part of the vetting fee. Furthermore, it was noted that animals who were to receive heartworm treatment did not receive the complete treatment or receive the treatment. **FSAH Pages 24-48**

Ms. Altman, Treasurer, stated that she could have placed them on the wrong line and did not go into the animal record because it was on the first page of the animal record. However, IA had already reviewed the before animal and after animal and that was not the case in these charges.

Additionally, IA identified multiple animals that did not have the heartworm positive tag on the front page of the animal record and the City was charged the fee. Unless you reviewed the Medical Intake form listing the test, Complete Medical History and/or the Treatment History you could not identify that the animal was heartworm positive and did or did not receive treatment.

Moreover, IA identified animals that did not need the first day vetting services because the information was provided with the animal or had already received the shots/vaccines when the animal was earlier in the Shelter. Additionally, there were animals who were not heartworm tested until two months or more after animals was in the Shelter. *See Exhibit ? for support.* **FSAH did not receive support to review and respond.**

1.3 Overcharging for vetting and/or daily fee for animals that did not stay the number of days.

Additionally, it was noted that the City was charged the \$45 vetting fee and the \$10 daily fee for the first day and then charged the \$10 daily fee for days 2 -5, and therefore receiving an extra \$10 daily fee- Auditor was counting hours rather than days in shelter as stated in contract unless she changed her audit. At this point we have not received any revised audit information. Contract States: C. Shelter Fees The calendar day an Animal arrives at the KKS Facility shall be considered day one (1) in determining the payment obligation of the City.

The City was charged a daily \$10 fee for animals that was placed immediately in foster care. The animal records identified where the animal was immediately placed the same day in foster care and how long it remained in foster care, and was not in the Shelter. IA asked Ms. Altman about foster care and she stated that the fostering family paid for the care unless the animal needed shots. THIS IS NOT TRUE. IA showed her where she continuously charged the City for animals that were immediately placed in foster care. Fosters help shelter maintain some availability for AC animals. The animal is the property of the city until 5-day hold is up, when it is FSAH. FSAH pays the entire cost of animals in foster care. We actually close the shelter on Wednesday for Fosters to bring in animals and pick up additional supplies. This is the same procedure used by the majority of Shelters & Rescues. Many times, the Fosters Fail and adopted the animal.

Moreover, animals only in the Shelter for several hours/half a day and charged a vetting fee \$45 and a one-day daily fee \$10. IA identified animals that because of the length of time it was at the Shelter should not have charged the City the daily fee and/or the vetting fee (if the animal did not receive any shots/vaccines). *See Exhibit ? for support.* FSAH has reviewed Items many are based on the number of hours not days. If we overcharged based on calendar days we refund overcharge.

- 1.4 Overcharges for euthanasia not consistent with the weight of the animals. For instance, a \$100 charge for an animal under five (5) pounds, where the other animals at the approximate weight were charged a lesser amount. *See Exhibit ? for support.* No support provided. We have also reviewed our DEA drug logs and noted we have not billed city for AC animals taken to the shelter and we did not intake. We will review this and provide city a bill.
- 1.5 Did not credit the correct amount due to the City for Animal Control Impoundment fee/citation fee. The invoices submitted for payment only reflected a total credited amount to the City of approximately **\$1,989** respectively. In 2022, the City should have received an approximate **\$2,375**. The City did not receive any credit in 2019, 2020 and 2021 based on the invoices submitted by Ms. Altman, however the report identifies that the City should have received approximately **\$750** in 2019; **\$4,234** in 2020; and **\$2,965** In 2021. Overcharges for Outside Vet charges according to the information provided that were not within the guidelines for reimbursement. Approximately **\$2,039**. *See Exhibit ? for support.* FSAH and city discovered this during our 2022 Contract negotiations FSAH started including credit on our billings.

## Section 2 – Inappropriate Charges

- 2.1 Inappropriate charges to the City for animals that were not in the Shelter’s care at the time of the charge. The City was charged a one-day fee for animals taken to local veterinarian clinic by animal control for medical care. Animal was euthanized at the clinic and an intake was not done at the Shelter, nor did it stay anytime at the Shelter. *See Exhibit ? for support.* FSAH did

*This part of the Internal Audits Assessment relates to the detained findings in the report.*

**Detail Finding Section of Report**

NOTE: It appears in this section of the report, the Shelter either responded with the same information as list above and/or added additional responses. Therefore, IA had to assess the detail finding section as well as to the above responses.

The Shelter stated in the second paragraph that the City did not and the Shelter should have not paid for cremations. However, IA identified several invoices submitted for reimbursement by the Shelter where the City did pay for the cremations.

**Section 1.1 – Overcharging for medication(s).**

Same responses from Shelter in first section of report. IA disagrees with the amount FSAH states that was overcharged for vetting fees. IA reviewed their responses, reviewed again the contract and animal records and disagrees with FSAH amount. IA concludes after reviewing the information provided that the City was overcharged \$6,633 from January 2022 through July 2022. It is the Boards decision to what overcharges are acceptable.

**Section 1.2 – Overcharging for medication(s) for animals that did not receive and/or complete treatment.**

Shelter states in this section that they did not receive support to review and respond. However, in the beginning of the report the Shelter did respond and was provided with the information in order for them to respond. Additionally, this section was a part of the request and in the document provided to the Board by the Shelter.

**Section 1.3** – Overcharging for vetting and/or daily fee for animals that did not stay the number of days.

Same responses from Shelter in first section of report. IA's opinion is that if an animal is transported to a clinic for treatment and is euthanized, the City should not be charged a vetting or daily boarding charge. Also, if an animal is returned to its owner within hours, is not vetted and/or stays a full day, the City should not be charged. Moreover, if an animal was returned to its owner or adopted that morning, the City should not be charged for a daily boarding fee because services were not provided.

**Section 1.4** – Overcharges for euthanasia not consistent with the weight of the animals.

The Shelter responded that the information was never provided. The information was not in the original request. IA informed the CPA of this, who then requested it, IA provided the documents in an email to them on the same day it was requested, 6/15/2023 after 11:00 am.

The Shelter also responded that according to their DEA drug log that there were animals not billed to the City. IA identified how the log was not properly maintained, nor were the animal records. Therefore, the charges should be validated by thoroughly researching Animal Control Service logs, forms, documentation, etc. to verify those are accurate charges before the City reimburses any amounts.

**Section 1.5** – Did not credit the correct amount due to the City for Animal Control Impoundment fee/citation fee.

The Shelter responded that they recognized this and started giving credits. However, this does not address the monies due to the City for prior years. In IA's opinion the City should be reimbursed on the next invoice reimbursement request, not in the "equity account".

**Section 2.1** – Inappropriate charges to the City for animals that were not in the Shelter's care at the time of the charge.

The Shelters response was they did not receive this support. IA disagrees, the support was provided. IA does agree the animal should be entered, however IA does not agree the City should be charged for services (i.e. vetting and/or boarding fees) the Shelter did not provide, only reimbursed for the outside veterinarian cost.



not receive this support, we do have to intake the animal so we can bill the city for animal care as we pay all animal related expenses then charge City back without mark-up.

- 2.2 Inappropriate charges to the City for animals that were not vetted by the Shelter or received the services by the Shelter. The Shelter charged the City a vetting fee \$45 for animals that were not vetted by the Shelter. Multiple animals did not receive any of the vetting services, or those services were provided by a clinic. See Exhibit ? for support. FSAH was not provided with backup to review and respond.
- 2.3 Inappropriate charges to the City for animals from another program. The Shelter received animals from other programs, or returned from another program, and inappropriately charged the City for those animals. Additionally, animals(s) that received from another program to go on transport with the Shelter were charged to the City. See Exhibit ? for support. These were from KKC a practice Executive Director Hoover started, they are O/S to FSAH. Many time we only held until transport which would be 2-5 days at \$10 a day, we had to enter all Medical information to facility receiving the animal
- 2.4 Inappropriate charges to the City for animals that were adopted and returned to the Shelter, approximately **72 animals**. Animal returned multiple times and adopted multiple times and City charged for each return and no vetting was needed. See Exhibit ? for support. FSAH was not provided with backup to review and respond.
- 2.5
- ~~2.6~~ Inappropriate charges to the City for animals that do not exist according to Shelter Luv. IA identified multiple animals that were not in Shelter Luv either by the animal number or name. FSAH comments provided previously.

***This part of the Internal Audits Assessment relates to the detained findings in the report.***

**Section 2.2** – Inappropriate charges to the City for animals that were not vetted by the Shelter or received the services by the Shelter.

The Shelter responded it did not receive the backup to review and respond. IA disagrees, the support was provided. The Shelter charged the City a vetting fee \$45 for an animal that were not vetted by the Shelter.

**Section 2.3** – Inappropriate charges to the City for animals by another program.

The Shelter responded that these were KKC, practices from Executive Director Gae Vonn Hoover started, O/S of FSAH. Also, that many times they held for transport 2 – 5 days at \$10 a day and had to enter the animal’s medical information. IA disagrees and in IA’s opinion the City should not be charged for outside animals and from another program. Those animals are not the responsibility of the City and are agreements the Shelter has made with those programs.

**Section 2.4** – Inappropriate charges to the City for animals that were adopted and then returned to the Shelter.

The Shelter responded it did not receive the backup to review and respond. IA disagrees, the support was provided. Additionally, in the beginning of the report the Shelter did respond and was provided with the information in order for them to respond.

**Section 2.5** – Inappropriate charges to the City for animals that did not exist in ShelterLuv. Shelters response was identified above.

IA also reviewed the before and after animal number and could not locate the animal. Lastly, IA ran a report in Shelter Luv of all animals from July 2019 through January 2023 and the animals KKFS numbers were not listed. IA also scanned through the report and identified multiple KKFS numbers not listed. [See Exhibit ? for support.](#) **These animals were deleted in error. We have locked down ability to delete Shelterluv will also release update to track this issue in the future.**

[2-72.6](#) Inappropriate duplicate charges to the City for animals that were already charged and who received medications/shots. IA also noted that the City was charged for treatments that were part of vetting fee on both charges. [See Exhibit ? for support.](#) **In our review of the Draft audit CPA found several animals on duplicate Exhibits we have eliminated that duplication.**

[2-82.7](#) Inappropriate charges for excessive days where the animals were not placed on quarantine, a hold, and/or cruelty. Animal charged excessive days and did not have a hold, quarantine requirements, etc... Additionally, animals weren't in Shelter in between adoptions and when the animal was returned to the Shelter it did not equal the number of days charged. **No support provided. CPA identified several duplicated items on several Exhibits.**

Furthermore, the City was charged days for cruelty charges but the animal was surrendered. In these cases, the surrendering party is supposed to pay for fees. The animal record has an attached email from PD stating the animals were surrendered. Therefore, the City was inappropriately charged for those days. **FSAH Staff work with FSPD on cruelty.**

Animals quarantined and not identified on the Animal Control form, and the animal records do not have any information for why the Shelter euthanized the animals. Moreover, the Animal Control form does not identify the animals as vicious and there is not any information regarding the animal's behavior to warrant euthanizing. The animal was euthanized and no documentation of why or who performed the euthanasia. **The majority of Euthanasian was not done by certified person, Peggy Griffin and Gaevon Hoover.**

Lastly, no documentation in animals record to identify the animal was allowed to be released after held due to cruelty/quarantined/etc... [See Exhibit ? for support.](#) **New procedure with FSPD**

[2-92.8](#) Inappropriate charges to the City for animals that were paid by monies received from donations/grants. IA noted charges for feral cats that were paid for by the Alley Cats monies received, however, the City was charged for the same services. These services were not performed by the Shelter and already paid for by other funding and therefore should not have been charged to the City. [See Exhibit ? for support.](#) **Donation of \$2,500 did not begin to cover expenses.**

[2-102.9](#) Inappropriate charges to the City for animals that according to the animal record(s) did not receive or did not need the medications, shots, and/or vaccinations. [See Exhibit ? for support.](#) **FSAH see page**

[2-112.10](#) Inappropriate charges to the City for animals that were not a cruelty case when the animals were first brought to the Shelter by Animal Control. The animals were available for adoption and almost four months later the animals were placed on hold for cruelty case with

***This part of the Internal Audits Assessment relates to the detained findings in the report.***

**Section 2.6** – Inappropriate duplicate charges to the City for animals that were already charged and who received medications/shots.

The Shelter responded they eliminated the duplication; however, the Shelter did not respond with agreeing to reimburse the City for the duplicate charges.

**Section 2.7** – Inappropriate charges for excessive days where the animals were not placed on quarantine, a hold, and/or cruelty.

The Shelter responded that no support was provided and that the CPA found several duplicated items on several exhibits. This section was not in the original request. The Shelter did not respond with agreeing to reimburse the City. However, if the Shelter is stating in this responds that IA duplicated items on several exhibits, IA disagrees with the Shelter's responds. IA identified each time the Shelter charged the City, where the charge was appropriate and where the charge was not appropriate. The Shelter would need to clarify their responds.

Furthermore, the Shelter responded that the majority of the euthanasia's were not done by certified person, Peggy Griffin and GaeVon Hoover. IA's disagrees with this responds and the Shelter should not be identifying people where no documented proof can be provided for this statement. It is IA's understanding that Ms. Hoover resigned in early January 2022 and Ms. Griffin was no longer employed at the Shelter sometime in March 2022. The euthanasia findings relate to year 2022, except for one in December 2021, and one of those individuals was not there, so they could not have performed the euthanasia. Additionally, IA identified that the animal records did not contain the information regarding the purpose, who performed the euthanasia and when, and who ordered it, which was the finding. IA has queried several euthanasia reports and noted while there has been some attempt to improve, the animal records are still not documented with the necessary information.

**Section 2.8** – Inappropriate charges to the City for animals that were paid for by monies received from donations/grants.

IA disagrees with this response. The Shelter received monies in 2021 and 2022 from Alley Cats to cover these charges. Additionally, in 2020 the Kitties and Kanines Clinic received the monies and charged the feral cats against those monies. Most expenses were approximately \$30 for each feral, this allowed for at least 83 feral cats in one year. In 2022 there were approximately 40, which would be only half of the money received for this year. It is IA's opinion the remain monies should be reimbursed to Alley Cats since the Shelter no longer handles feral cats.

**Section 2.9** – Inappropriate charges to the City for animals that according to the animal record(s) did not receive or did not need the medications, shots, and/or vaccinations.

The Shelter only responded with "see page"

**Section 2.10** – Inappropriate charges to the City for animals that were not a cruelty case when the animals were first brought to the Shelter by Animal Control.

The Shelter responded that the information was not provided. This section was not in the request.

three other animals that were brought to the Shelter by Animal Control. Approximately **\$1700** total for two animals in Shelter care June 2022 with \$443 in question for outside vet care in October 2022. **FSAH was not provided with backup to review and respond.**

2.122.11

For the month January 2022 through July 2022 the amount identified above, not including the questionable outside vet services, totaled approximately **\$58,885**, which includes the fees the City should have received from impoundment fee credits (\$10,324 Shelter luv report - \$1989 from **CPA requested copy of audit schedule to check balances she stated she didn't have one of those.**

invoices submitted = \$8,710) and the **\$1700** identified in inappropriately cruelty charges from January 2023 respectively. See [Exhibit ? for support](#). **FSAH see Page**

Not all cruelty charges are cases and could be where Animal Control will cite the owner with a ticket to pay. It appears that the City was charged for animal holds that were not specifically related to cruelty cases. **FSAH works with FSPD we corrected any billed.**

## **Appendix B – Financial(s)**

### **Section 3 – Procedures**

3.1 No segregation of duties for cash/accounting functions. Segregation of duties reduces the risk of both erroneous and inappropriate actions. It is a basic building block of sustainable risk management and internal controls for a business. Businesses should attempt to separate functional responsibilities to ensure that errors, intentional or unintentional, cannot be made without being discovered by another person. IA inquired about the cash and banking procedures and identified that Ms. Altman oversees the bank accounts. Ms. Altman receives and deposits monies, has access to the bank accounts, writes checks from the bank accounts, and is the person who reconciles the bank accounts. Any monies received from the Shelter is given to Ms. Altman for deposit, however no one counts the money with Ms. Altman before it leaves the facility. If there is a question regarding the difference, it was stated that Ms. Altman would call and discuss the difference. Therefore, it appears there are no segregation of duties. The inquiry also identified that the Shelter had five accounts and IA requested the bank statements and any support for all accounts from 2019 through 2022. However, during the audit IA identified two more accounts that Ms. Altman had not originally reported. IA had to request the statements and support again for 2022, and for the two additional accounts. **This has been corrected with the engagement of ValueMetrik CFO, for outsourced finance and accounting. The new accountant prepares the Monthly Financial to the City Administrator and monthly variable billing to FSM Police Department. Federal IRS form 990.**

A review of the bank statements identified direct deposits from the City (monthly fixed amount and monthly variable cost), numerous amounts received from PayPal, Facebook, Stax, and Stripe, as well as regular deposits and mobile deposits. IA also identified one account with large monthly service fees, returned check fees and closed account fees. See [Exhibit ? for support](#). **No support provided. We do have fee for Arvest for monthly donation drafts.**

### **Section 4 – Shelter Account(s) and Business Account(s)**

4.1 Co-mingle of funds between personal businesses and Shelter account(s). Ms. Altman stated during a prior conversation that she had put \$55,000 of her personal money into Shelter

***This part of the Internal Audits Assessment relates to the detained findings in the report***

**Section 3.1** – No segregation of duties for cash/accounting functions.

The Shelter responded that they have engaged an accounting firm. IA ask that the Board inquires with who is responsible for the payment to the accounting firm, the City or the Shelter. If it is the Shelter, is the City reimbursing or including it in as a reimbursable expense.

operating account to cover expenses as a short-term loan. Further into the conversation Ms. Altman stated a different amount, \$50,000. **Ms. Altman provided funding for start of the shelter with \$5,000 to open Operating account and provided \$50,000 to fund shelter prior to receiving city funds This was a donation.** During the audit, IA recognized a number of large single deposit checks and some checks written for extremely large amounts. Upon further review, IA looked at the copies of checks attached to the bank statement, copies of checks written and deposits and identified what appears to be personal business checks deposited into the Shelter account. **This is correct Ms. Altman provided large donations to the shelter from her personal accounts, and her business she also did loans which CPA reviewed General Ledger to show balance on short term loans. See pages 73-103** . The checks were from Johnson Lind Limited, Business Insurance Consultants, and Brenda Altman (appears to be her personal account). An internet search of the two businesses identified Johnson – Lind as a Limited Partnership (and status is not current according to the Arkansas Secretary of State website) and Business Insurance Consultants, (status is in good standing according to the Arkansas Secretary of State website). **Ms Altman never denied these are her companies.** There appears to be approximately 12 checks that were deposited based on the check copy, or what was written on the deposit clip and/or bank statement. The amounts deposited ranged from \$5,000 and \$100,000 from 2019 through September 2022, totaling \$483,000. Therefore, it appears there is comingling of accounts and multiple deposits did not have the supporting documentation. Several other large deposited checks were noted, however there no copies of the checks or documentation attached for support. **Information was provided to IA she had the KKS FSAH, accounting files given freely when requested in fall 2022 until 6/15/2023. If we were not being transparent, why would we give the files without any review? See FSAH Page** .

Furthermore, there were seven (7) checks that appears to have been written from two of the Shelter accounts to Ms. Altman. From those seven checks three of those were for smaller amounts, one of which appears to have been an expense reimbursement and the other two did not have support behind the check to identify it was a justifiable reimbursement, totaling \$5,574. **The checks did have back up which is included in FSAH Page** . **IA had the files.** The remaining four (4) checks were written between \$25,000 and \$100,000, totaling \$270,000. IA asked Ms. Altman why she was depositing personal business checks into the Shelter accounts and writing Shelter checks to herself, especially since there was no support attached to the check, and that she was the only person who handles the banking responsibilities. Ms. Altman stated that some of the checks were donations, however IA could not verify which donations were because only one check had donation written on the check. Ms. Altman also stated that there was not enough money in the operating account to cover expenses so she wrote checks out of her business accounts to ensure enough money was in the account. IA inquired about the other Shelter accounts because together they total over \$200,000 that could have been utilized instead and Ms. Altman stated she did not want to take money out of those accounts because once you do it never stops. IA also inquired about the money that was deposited into those other accounts because they were for specific purposes based upon the memo section of the check had transports, vaccinations, etc.... IA commented that when money is received identifying what the funds are to be used for are earmarked for that purpose, then the Shelter should be following that request. **Funds donated were used to meet provided for that purpose out of FSAH accounts.** -

IA scanned the bank statements and did not identify any particular time that the account would be in a deficit. Additionally, the savings account(s) had money to cover any possible shortages.



***This part of the Internal Audits Assessment relates to the detained findings in the report.***

**Section 4.1 – Personal and Personal Business funds notated in the Shelter account. T**

IA disagrees with the Shelters responses that all information was provided. IA listed all checks and documented what information was provided for those checks. Additionally, IA documented the timeline of the checks and noted that not all information was provided, some of those checks did not identify if it was a loan or a donation. Moreover, the checks could not be validated for the amount or who it was received from.

The Shelter responded that Ms. Altman never denied these were her companies. IA did not reference in the report regarding the companies were or were not Ms. Altman's.

The Shelter responded that the accounting files were given freely, if they were not being transparent, why would they have given the files without any review. IA did not reference in the report anything related to receiving or not receiving the files as requested. IA finding was that there were large deposits, however no copies of the checks or documentation were attached for support.

The Shelter responded that the checks for a reimbursement did have back-up which was included in FSAH Page (left blank). IA had the files. IA did later receive copies to support the reimbursable amount.

The Shelter responded that the Funds donated were used to meet provided for that purpose out of FSAH accounts. IA disagrees with this response because the donations were placed in a savings account and no amounts were debited to that account for those purposes. Additionally, no monies were removed from those accounts to the operating account to support the donation monies were used for that purpose. Lastly, no documentation was provided to support the monies were used for the intended purposes.

The Shelter responded that private donations are not the subject of this audit. IA documented in the report information about the donation forms that are provided to the donor at the time of the donation. IA also stated how the donation forms provided could not all be verified as donation as well as not signed or dated. IA tried to tie back the donation forms to what Ms. Altman claimed.

**Section 4.2 – Checks written to Ms. Altman by Ms. Altman.**

The Shelter responded to see support from FSAH pages 73-103. IA listed all checks and documented what information was provided for those checks. Additionally, IA documented the timeline of the checks and noted that not all information was provided, some of those checks did not identify if it was a loan or a donation. Moreover, the checks could not be validated for the amount or who it was received from.

IA also specifically identified that Ms. Altman had deposited a check on 12/30/2021 in amounts of \$50,000 and \$10,000 in the Armstrong account, however, wrote a check from the Armstrong account for \$100,000 addressed to Brenda Altman. Additionally, another check was written from the Arvest account on 12/29/2021 in the amount of \$25,000 and was addressed to Brenda Altman. The notation on the check copy was “repay loan by BSA to KKS so we didn’t end 2021 with liability”. [See Exhibit ? for support.](#) [fjd FSAH has provided details on this. Page 73-103](#)

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IA requested from Ms. Altman the donation documentation to support what she stated was donations to the Shelter. The donation forms provided could not all be verified as donations, moreover the forms were not dated and signed for 2020 and 2021. The 2022 forms have a signature but not a date. IA inquired about the date and signature and have not receive a response. Additionally, IA asked Ms. Altman when the donation forms contents changed and IA did not receive a valid answer. Therefore, IA could not verify that the donation forms were provided at the time of the donation and instead created when asked for the donation forms. Lastly, when a donation form is provided to the donor, typically it is for the amount donated at that particular time, not for the entire year. Therefore, the amounts listed in the donation’s forms could not all be verified or identified because a total year amount was listed. [See Exhibit ? for support.](#) [Private donations are not the subject of this audit.](#)

- 4.2 Checks written to Ms. Altman by Ms. Altman. The checks are maintained by Ms. Altman and all the checks made payable to Ms. Altman were signed by Ms. Altman and ranged between \$1,360 and \$100,000, majority of the checks did not have supporting documentation. Checks were issued from at least two of the Shelter accounts. [See Exhibit ? for support.](#) [See support from FSAH pages 73-103.](#)

## **Section 5 – Shelter Account(s) and Checks**

- 5.1 Check number(s) were duplicated. Duplicate checks were written for different amounts, different dates, and to different businesses/people. For instance, the July 2021 bank statement had a check clearing the bank on 7/15 for check number 1496 in the amount of \$2,161.97 and penciled BSA, however check number 1496 cleared the bank in April 2021 for \$438.01 and penciled “Greggs Too”. IA inquired with Ms. Altman and she stated was in the process of trying to get her business accountant to do the Shelter account along with the bookkeeping. [See Exhibit ? for support.](#)
- 5.2 Reconciliation Detail reports did not contain correct check/debit/credit information. IA identified information on the reconciliation detail report that was a debit, however a check was issued according to the bank statement. Furthermore, Check(s) written and cleared the bank but not on the reconciliation report. [Entire detail reconciliation spreadsheet from previous accountant submitted to IA, bank account statement balance.](#)

Extensive checks written for cash, however when IA reviewed the cash file, not all checks written for cash had documentation to support the amount. Additionally, other discrepancies noted was a petty cash check that was documented as “Bill” in the type reference section dated 11/12/2020 in the amount of \$4,550 with a check register attached. The check register was from WorkSource and had a list of names and payroll dates 11/16/2020 to 11/29/2020. Written on the check register under ID is “Bonus Christmas” and an amount next to each name, ranging from \$100 to \$500 (one amount was not readable in that if it was \$200 or \$250), and two

***This part of the Internal Audits Assessment relates to the detained findings in the report.***

**Section 5.1** – Check numbers were duplicated – No response given by the Shelter in the detail section.

**Section 5.2** – Reconciliation Detail Reports did not contain correct check/credit/debit information. The Shelter responded that the entire detail reconciliation spreadsheet from previous accountant was submitted to IA, bank account statement balance. IA does not recall receiving the detail reconciliation spreadsheet. IA used what was provided with the bank statements for each month. Not all reconciliation detail reports were with the bank statement nor were there copies of the checks with the bank statement each month. IA reported that information on the reconciliation detail report did not match the bank statement. IA also noted according to invoices submitted by the prior accountant(s) that the extra charges were because the reconciliation was not balanced and could not be balanced.

The Shelter responded that in 2020 and 2021 under the former ED and when done in 2022 new management bonus checks have been processed under payroll program rather than the cash basis desired by previous management. IA disagrees because the check was done by Ms. Altman, not the prior ED. Additionally, when IA initially spoke to Ms. Altman regarding the cashed check, she stated that she got the money and placed them in envelopes so that the Shelter Board could personally hand the employee the money.

names written at the bottom of the list of names. No documentation was attached to support the employee received the cash. IA inquired with Ms. Altman about the petty cash check and check register. Ms. Altman explained that the Animal Board Members handed out envelopes of cash to the employees at the Christmas party. IA asked if the employees signed anything to verify they received the cash and that the cash could be considered income and should have been captured correctly through payroll. Cash or cash equivalent items provided by the employer in this circumstance are never excludable from income. These 2020 and 2021 are under former ED when done in 2022 new management bonus checks have been processed under payroll program rather than the cash basis desired by previous management.

Statement Activity 11/26/2019 has penciled Chase Bank Check #1018 in the amount of \$4,761.02 and does not have support. See Exhibit ? for support. This was a payment on Gae Von Hoover credit card, business expenses.

## **Section 6 – Shelter information and Profit and Loss Statement**

6.1 Profit and Loss Statement does not appear to have correct information reported. Ms. Altman sent IA a copy of the Shot Clinic information and the Profit & Loss (P&L) Statement January through December 2021. IA noticed that the shot clinic information did not agree to the P&L for the shot clinic amount reported. The amount reported was \$1602, however the Shot Clinic spreadsheet provided identified that approximately \$3134 cash was received and approximately

7.1 \$6,006 in credit cards were received. Furthermore Ms. Altman documented on the spreadsheet that only \$746 cash was deposited and that \$2388 was short and discovered while visiting Shelter seeing money coming in that did not make it to deposit. Records were taken to audit the missing KKS missing funds from the shot clinic as the money was not making it to Ms. Altman for Deposit. She was not in the parking lot, she was in the office on 10-18-2021 with possible new accountant. This is how shortage of cash \$2,388 missing from deposits. When ED Von Hoover was asked about, she said she didn't know she Madelyn did that. Tracey Shockley was not concerned about missing money she was concerned only about records removed.

IA inquired with Ms. Altman why she reported \$1,602 on the PNL when there was \$9140 that was actually received according to her spreadsheet. She explained that is when she noticed that money was not making it into the deposits. IA asked how if she was sitting in the parking lot watching how she was able to determine the amounts paid by the customer. Ms. Altman stated that she was standing next to the person taking in the money. IA explained to Ms. Altman that is not what she originally told us and she stated she must have not communicated it correctly. IA pointed out the amounts were still not reported correctly and Ms. Altman stated the other amounts were in the PayPal Fundraiser amount. However, IA reviewed all bank statements and scanned the deposit slips and the amounts in PayPal Fundraiser appears to not have captured that amount. The credit cards were done in the office and not through PayPal. Credit cards were done by Pay Pay until change in 2022 to Stripe then 1/2023 to Stax. This was done as Shelterluv was going to increase their fees to \$19.00 per adoption unless we started using their Credit Card processing this would be an increase of \$17.00. The \$2.00 adoption fee for use of shelterluv is paid monthly on Ms. Altman credit card from inception of shelter.

Additionally, it was noticed that the amounts reported for dog and cat adoptions were not correct. IA ran the report and performed an analysis on the information and it appears that the Shelter received for dog adoptions \$17,610 and gave \$10,715 in discounts. The Shelter received in cat adoptions \$10,981 and gave \$11,059 in discounts. Other animals adopted totaled \$200 and \$470 in

discounts given. Income identified is shelter's not City. We were aware credit cards payments were not allocated by income item. The interim and current accountant do not allocate the credit card receipts to this date by income rather bulk entry made. Which again is shelter income not City.

Moreover, a review of other line items on the Profit and Loss Statement appears that numbers were not correctly/accurately reported. Reports were obtained from Shelter Luv for cat and dog adoption fees and compared to the P&L. The amount listed on the P&L for cats was \$4840, however, the amount from the report was \$10,981. The amount listed on the P&L for dogs was \$3,830, however, the amount from the report was \$17,610. Lastly, the amount listed on the P&L for City Contract Day 2-5 Boarding was \$41,550, however, the amounts from the invoices submitted to PD by the Shelter totaled approximately \$84,782. Lastly, there was a negative amount of approximately (\$12,420) under the animal cost for medical supplies. No supporting documentation for the amounts reported on the P&L. Therefore, IA could not validate all information reported. The ones that could be validated had differences that were insignificant. [See Exhibit ? for support.](#) See above

- 6.2 Excessive checks written for cash that did not contain supporting documentation. One petty cash check that was documented as "Bill" in the type reference section dated 11/12/2020 in the amount of \$4,550 with a check register attached. The check register was from WorkSource and had a list of names and payroll dates 11/16/2020 to 11/29/2020. Written on the check register under ID is "Bonus Christmas" and an amount next to each name, ranging from \$100 to \$500 (one amount was not readable in that if it was \$200 or \$250), and two names written at the bottom of the list of names. No documentation was attached to support the employee received the cash. [See Exhibit ? for support.](#) Previous management.
- 6.3 Past due and late fees on payables. During the review of different clinic charges, IA identified where the Shelter did not pay their invoices timely and some incurred late fees. [See Exhibit ? for support.](#)
- 6.4 Monies earmarked by donations/grant funding(s) were deposited into a savings account and could not identify that the monies were used according to the donor(s) request. IA identified approximately \$67,500 in checks that were earmarked for adoptions and transports. There were several other deposits noted from the same entity, however copies of the checks were not attached as support and therefore IA could not validate those checks were also earmarked. [See Exhibit ? for support.](#) The shelter did provide earmarked services.
- 6.5 Shelter does not provide support for animals held and charged to the City additional fees due to owner cruelty issues. The Shelter send the PD an invoice each month that includes cruelty charges and the Shelter does not include the support behind the added charges, nor do they identify in the animal records the information needed to support the charges. [See Exhibit ? for support.](#) Generally FSAH staff worked with FSPS to review cruelty and vicious animals for holding.
- 6.6 Shelter does not provide support for the impoundment fees. The Shelter gives a credit in the invoice provided to PD, however, the support is not attached to the invoice to support the credit. In addition, the Shelter does not give the City the proper credits. IA identified credits not given based upon the payments received from the owner. [See Exhibit ? for support.](#) FSAH provides an excel spreadsheet backup for billing with column showing the RTO fees and

***This part of the Internal Audits Assessment relates to the detained findings in the report.***

**Section 6.1** – Profit and Loss Statements do not appear to have correct information reported.

The Shelter responded that the records were taken to audit the missing KKS missing funds from the shot clinic as the money was not making it to Ms. Altman for deposit. Furthermore, the Shelter responded the shortage of \$2,388 missing from the deposit was noted and Ms. Altman asked ED Von Hoover

IA disagrees with the Shelters response. The Shelter did not have proper controls in place for cash handling. Additionally, the Profit and Loss statement did not reflect the monies received correctly. Therefore because of the poor cash handling procedures, poor documentation, and poor record keeping, IA could not make any determination. Lastly, the finding was related to the information not reported correctly on the profit and loss statement.

IA's finding in the report related to the information not correctly identified on the Profit and Loss Statement. IA makes no reference in the report if it is Shelter or City money. However, those reports are provided to the Board of Directors and the information should be captured correctly and support attached to provide true transparency to the Board.

**Section 6.2** – Excessive checks written for cash that did not contain supporting documentation.

IA disagrees with the Shelters response. Ms. Altman controls the checks, bank accounts, and reconciliations, therefore stating it was previous management does not support a valid response.

**Section 6.3** – Past due and late fees on payables.

No response made by Shelter in this section.

**Section 6.4** – Monies earmarked by donations/grant funding(s) were deposited into a savings account could not identify that the monies were used according to the donor(s) request.

IA disagrees with the Shelters responses. The donations were placed in a savings account and no amounts were debited to that account for those purposes. Additionally, no monies were removed from those accounts to the operating account to support the donation monies were used for that purpose. Lastly, no documentation was provided to support the monies were used for the intended purposes.

**Section 6.5** – Shelter does not provide support for animals held and charged to the City additional fees due to owner cruelty issues.

IA disagrees with this response. IA noted several gaps in this process and worked with the Police Department to tighten these controls. However, the finding relates to the Shelter not providing the

proper documentation to support their charges to the City for reimbursement. IA noted a number of charges that were incorrectly submitted to the City for reimbursement.

**Section 6.6** – Shelter does not provide support for the impoundment fees.

IA disagrees with the Shelters response. Placing the information on the excel spreadsheet does not provide enough support to show the Shelter credited the correct amount to the City on the monthly invoice. A report from ShelterLuv for impoundments fees collected should have been submitted to support the credit given on the monthly invoice.

credit. This is now audited by FSPD personnel and any difference are noted and discussed.

6.7 Water and Sewer bill adjustments given for entire amount each month by the City Administrator from September 2019 through present. The water and sewer bill is included in the fixed monthly cost. The water and sewer bill is included in the fixed monthly cost and during the review of invoices, IA identified bills that were notated to send to Carl. A review of the Shelter's water/sewer/sanitation account identified each month was adjusted the full amount from 2019 until present. See Exhibit ? for support. Yes, we did receive waive of water bill. This amount would be waived or included in our monthly fixed fee. FSAH page .

6.8 An invoice submitted for the January 2023 monthly fixed cost had an additional **\$10,607** added for fixed cost billing new employees and fixed cost billing increase capacity. The invoice totaled **\$66,907** and another was submitted in February with the same amount, which is currently being processed. An addendum to the contract or Board approval for this change could not be located to allow for this additional fixed monthly billing cost. Therefore, it appears these changes were made without consultation with the Board. See Exhibit ? for support. The increased cost was for more capacity at the shelter as requested by FSPD. A meeting was held to go over options and the need for additional funding to pay for increased capacity. \$7,107 for additional staffing and \$3,500 for physical capacity for 2 new awnings and 40 more kennels .

**NOTE:** The contract states that the Shelter is to have a "Certified Public Accountant (CPA) prepare the required IRS 990 and oversee the preparation of reports contained in this Section 4 and any financial reports requested by the City, except the monthly financial reports. The CPA shall also prepare financial policies and procedures for KKS to ensure sound financial management". However, it has been IA's understanding that Ms. Altman has been preparing the P&L and sending them to the City Administrator, until this past few months, which was done by an Account Manager. Additionally, the contract does not contain a Section 4, the contract section is 3 then 5 and IA could not identify in the contract specifically what financial reports are required to be prepared by the CPA. Yes, CPA prepares IRS 990. As allowed by contract the financials reports were sent by Ms. Altman on a monthly basis as required by City for transparency. Yes, a new accountant is providing now. The financial statement provided has clear separation of City income/expenses and FSAH income/expenses. With this reporting the City and FSAH equity on a running basis. The City has not had a positive equity balance since 2019. In simple terms FSAH has been operating advancing the funds for operations.

## Appendix C - Animals

### Section 7 – Laws/Protocols

7.17.2 Animals were euthanized and/or rabies shots outside of the required Arkansas laws/protocols. Animals were euthanized and/or received a rabies shot during their quarantine period. Additionally, animals euthanized with no information to identify reason in the animal record. There are specific protocols that require when an animal is euthanized during their quarantine period and the Shelter did not document or take those steps. Moreover, animals received shots and were euthanized the same day. IA contacted Arkansas Department of Health, Little Rock and verified if an animal was received. Several animals have been sent to Department of Health, by outside vets as FSAH did not have ability to cut off head. Ms. Altman was asked about this requirement and she stated that it was done in Oklahoma. Ms. Altman never said we were euthanized in Oklahoma. However, the Shelter is in Arkansas and the Shelter is mandated to follow Arkansas laws.



***This part of the Internal Audits Assessment relates to the detained findings in the report.***

**Section 6.7** – Removed from the report because it relates to a City process and a Board of Directors decision.

**Section 6.8** – Removed from the report because it relates to a City process and a Board of Directors decision.

IA did note the Shelters response regarding them adding staff. IA noted by reviewing the payroll and comparing from end of 2022 to a few months payroll of 2023 there was not a significant change in the amounts paid out. Additionally, it was noted at a public meeting that the Shelter stated someone made a generous donation to purchase the awnings.

IA also noted that the Shelter responded that the City has not had a positive equity account since 2019. However, no support has been provided to support that claim. Furthermore, no support has been provided to show where the City received the credit amount due each time the Shelter did not receive animals from the City. According to the contract the City is supposed to be credited one-thirtieth (1/30<sup>th</sup>) of the Monthly Fee for each day the Shelter does not accept an Animal (the “No Vacancy Credits”)

Arkansas State Board of Health define euthanasia and rabies protocols by stating the dog or cat is confined and observed for a period of ten (10) days from the date the person was bitten. Rabies vaccine shall not be administered to the animal until the quarantine period is complete. The dog or cat is not to be revaccinated, sold, transferred, destroyed, or otherwise disposed of. If the dog or cat dies or is killed during the 10-day observation period, intentionally or unintentionally, the head shall be shipped immediately to the Public Health Laboratory as outlines in Section I.J. The owner is responsible for all costs, including confinement fees, veterinary fees and transportation costs. This is not part of City contract many times these animals were City of Fort Smith animal.

Every firm, person, or corporation who violates any of the rules or regulations issued or promulgated by the State Board of Health may be assessed a civil penalty by the board. The penalty shall not exceed one thousand dollars (\$1,000) for each violation. Each day of a continuing violation may be deemed a separate violation for purposes of penalty assessments. [See Exhibit ? for support.](#)

7.27.3 Animal records must remain onsite at all times and are to be documented accurately. Ms. Altman stated to IA that after the Shot Clinic that she took all of those animal records off premises and sometime later returned them to the Shelter. [See Exhibit ? for support.](#) Records are not required to be on site. Records were taken to audit the missing KKS missing funds from the shot clinic as the money was not making it to Ms. Altman for Deposit. She was not in the parking lot she was in the office on, 10-18-2021 with possible new accountant. This is how shortage of cash \$2,388 missing from deposits. When ED Gae Von Hoover was asked about, she said she didn't know, Madelyn did that. Tracey Shockley was not concerned about missing money; she was concerned only about records removed.

7.37.4 The Shelter is required to document the basis for the euthanasia for all animals. IA identified euthanized animals where no documents were provided why the animal was euthanized or who performed the euthanasia. [See Exhibit ? for support.](#) Information not provided for review.

## **Section 8 – Animal Records and Medical**

8.1 Animal and/or animal record(s) discrepancies. Animals did not have medical intake form or animal control form. In addition, IA noted that not all animal intake forms were completed, vaccines were not given until five days or longer after the animals was in Shelter, no physical, and not chipped or spayed. Also, there were animal intake forms that had shot/vaccine information but were not dated when given to the animal or by whom. Moreover, the Shelter did not ensure they received all required information on Animal Control forms. Protocol updated.

IA also identified an animal was in foster four months before contact was attempted with the foster. Another two months before the Shelter sent email to the foster regarding actions that would be taken if the animal was not returned to the Shelter. Information not provided.

Furthermore, it was noted that there were animals that did not receive a heartworm test until several months after intake into Shelter. Animals did not receive heartworm treatment until months after positive test. Vet Tech errors noted in 1-2022 treatment not input into Shelterluv not discovered until audit of medical files performed. Treatment then started.

***This part of the Internal Audits Assessment relates to the detained findings in the report.***

**Section 7.1** – Animals were euthanized and/or rabies shots outside of the required Arkansas laws/protocols.

IA disagrees with the Shelters response. IA contacted the Arkansas of Health, Little Rock and verified that no animal was received from the Shelter or received on behalf of the Shelter. The finding does not state that Ms. Altman said the animal was euthanized in Oklahoma, the finding states Ms. Altman relayed to IA that the animal went to a location in Oklahoma who was sending the animal.

The Shelter also responded to a statement in the report regarding requirements by the Arkansas Board of Health. The Shelter responded that “this was not part of the City contract many times animals were City of Fort Smith animal”. IA states that while the requirements were not part of the contract, the contract does state that the Shelter is required to follow all related laws. The Arkansas State Board of Health is one of those requirements.

**Section 7.2** – Removed and Section 7.3 moved to this section

**Section 7.3** – The Shelter is required to document the basis for the euthanasia for all animals.

This section was not in the original request. However, IA disagrees with the Shelters response because they did comment on this finding in another section of the report.

**Section 8.1** – Animal and/or animal record(s) discrepancies.

This section was not in the original request.

IA recognizes the Shelters response “protocol updated”. However, IA does not know what that entails. Additionally, IA recognizes the Shelters responses that there were Vet Tech errors and clerical errors. However, there were animals that were animals received at the same time that were also heartworm positive that received treatment. Furthermore, the animal records should be reviewed and checked off each day to ensure all information has been properly entered, correct documentation attached, and all necessary vaccinations, shots, treatments, etc. are in the records. Specifically, after each animal is evaluated by the vet.

During the review of animal records to verify charges IA noted that there were forms attached not related to that animal and information on animals documented inaccurately. [See Exhibit ? for support.](#) **Clerical error**

- 8.2 Animals received duplicate shot/vaccines. Vaccines given incorrectly, a review of the animal's records identified animals given DHPP and/or Adenovirus, Bordetella, Parainfluenza shot twice in one day. Also, animals received more than normal DHPP shots and each two weeks apart. **Shots given 2 weeks apart are protocol for puppies and kittens.**

Furthermore, animals were given vaccinations multiple times, even though the records on file identified the animal already had the vaccines. IA also noted that Medical Intake form(s) were not completed correctly and has unexplained date difference of when shots were actually given. **Errors made animals not injured.**

Rabies shots given to the animal's same day, several days apart, or several months apart. Rabies shots are for one (1) year or three (3) years. IA also identified duplicate rabies number(s), no lot number on Rabies Lot number on the forms, no Rabies Tag number, and animals did not receive rabies shot until a number of months in Shelter or did not receive at all before being adopted/transported. Furthermore, records not entered timely and/or correctly and therefore the animals will be several months different from when should receive Rabies shot. The information provided does not a date or rabies tag number and therefore it is unknown why the Shelter entered that date. Additionally, the information states the Rabies shot was a Novac 3 and not a Novac 1 as the Shelter has listed in the animal's medical information. [See Exhibit ? for support.](#) **Support not provided to FSAH**

- 8.3 Duplicate animal records. Animal has three different KKFS numbers. [See Exhibit ? for support.](#) **FSAH aware of one animal entered 3 times by employee not longer working.**

- 8.4 Medical information not recorded and/or recorded properly. Rabies Certifications does not have the Vet name/signature. Additionally, FVRCP not recorded in the animals record for Lot # or Expiration date. Documentation not in animals file for purpose of pain meds and/or antibiotics or reason documented to show animal was to receive that medication.

Animals were sent for spay/neutering; however, the animals were already altered. Additionally, some of the paperwork (animal control, owner surrender) identifies the animal already altered, however the Shelter still sent the animal to be altered. Animals are required to receive a tattoo mark to identify the animal alteration. The Shelter could have avoided these extra charges by looking for the tattoo on the animal before sending them to be altered. **Common occurrence as difficult to see tattoo which most veterinarians use now. Some animals may not have tattoo.**

Animal was not documented as in foster care, information has antibiotics for days after its death, one section has it died in foster and person is not to foster puppies or kittens, one section has it died over a week in the memos, charged for vetting and it did not receive any vaccines. Moreover, animal records have animal was euthanized and then document the animal was days later adopted. Lastly, an animal had a broken leg for several months before taken to vet and had to be amputate. [See Exhibit ? for support.](#) **Support not provided to FSAH**

- 8.5 Animals received multiple chips. Multiple animals received two or three chips, even though it

***This part of the Internal Audits Assessment relates to the detained findings in the report.***

**Section 8.2 – Animals received duplicate shots/vaccines.**

This section was not in the original request.

IA did note responses in this section by the Shelters and disagrees. The finding related to animals receiving duplicate shots/vaccines in one day. Additionally, the animals notated in the finding were related to older animals and not puppies and kittens. Furthermore, if the Shelter was properly maintaining the animal records daily this would assist in ensuring the animals do not receive duplicate shots/vaccines. These are extra costs that could be used for other expenses.

Lastly, the Shelters response that “errors made animals not injured” does not negate the statement that animals were given vaccinations multiple times, even though the record on file identified the animal already had the vaccines. These are extra costs that could be used for other expenses.

**Section 8.3 – Duplicate animal records**

The Shelter did not respond to how they were going to correct this finding, only stated it was due to an employee no longer working there.

**Section 8.4 – Medical information not recorded and/or recorded properly.**

This section was not in the original request.

IA did note responses in this section by the Shelters. The Shelter could shave the animal if necessary before sending them to be spay/neuter in order to identify the tattoo. This will help eliminate unnecessary cost to the Shelter.

had the information in the animal record. Animal records chip information in Shelter Luv does not match Chip Form. [See Exhibit ? for support.](#) **Support not provided to FSAH**

- 8.6 Animals remained in Shelter with possible injuries for multiple months before taken to a local veterinarian for medical treatment. Animals received by Shelter with notation of medical issues and not taken to the veterinarian until almost two weeks later. Medical Intake forms are not completed day the animal is received, sometimes it would be several weeks before it was completed. KKFS-A-5493 (animal also had possible health complications and not taken to the vet until 10 days after intake and 3 days after MI Form completed) KKFS-A-5495 (animal also had possible health complications and not taken to the vet until 10 days after intake in which was noted by AC and MI Form that the leg was possibly broken and 5 days after MI Form completed). **Support not provided to FSAH.**

During the audit, it was brought to IA attention that an animal was in the Shelter from February 2022 with a broken leg until April 2022 when it was amputated. A former Shelter Board member learned of the situation and insisted that the Shelter take the animal to the veterinarian for medical treatment and paid for the medical care. IA was provided documents to support this information. IA also identified another animal that Animal Control informed the Shelter that the animal had a broken leg. However, it was not taken for medical treatment until four days later. The veterinarian only did a wellness exam, no x-rays were done, and the animal didn't have its leg amputated until ten (10) days of being in the Shelter. The Shelter did not adequately document the animal records for the circumstances relating to the delay, outcome, etc. Additionally, it was noted on forms for animals who were medically treated for urine scalding. **Dallas was seen by 4 veterinarians; splits were applied and did not mend bone. Dr. Chris Ashworth explained to IA and assistant in 5/26/2023 meeting. His first with her.**

Lastly, animals surrender by owner, City charged for medical, and animals returned to owner. Animal was surrendered because of medical and received treatment same day and City was charged for services. [See Exhibit ? for support.](#) **Support not provided to FSAH.**

- 8.7 Animals documented in the record as having a specific chip number, breed, color, age, altered, and having been transported however, approximately five months later attached to the same animal record, documents identifying a different chip number, color, age, breed and was altered and was a cruelty case with different owners. Invoice attached showing the animal received treatment from a local veterinarian location and records documented the animal was transported out on same day. [See Exhibit ? for support.](#) **Support not provided to FSAH.**

***This part of the Internal Audits Assessment relates to the detained findings in the report.***

**Section 8.5** – Animals received multiple chips.

This section was not in the original request. However, the information was requested by the Veterinarian and provided within a short period of time by supporting staff.

**Section 8.6** – Animals remained in Shelter with possible injuries for multiple months before taken to the veterinarian for medical treatment.

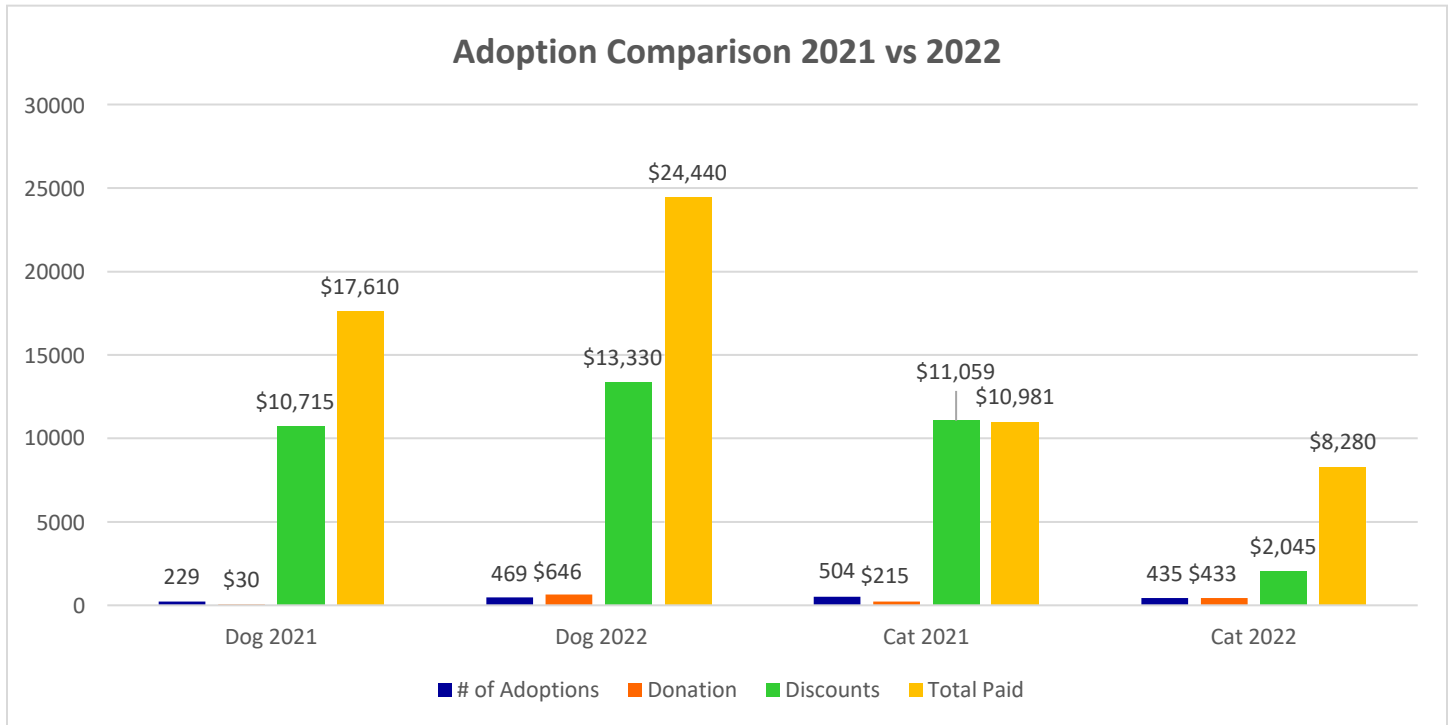
This section was not in the original request.

**Section 8.7** – Animals documented in the record as having a specific chip number, breed, color, age, altered, and as having been transported, however, approximately five months later attached to the animal record, documents identifying a different chip number, color, age, breed and was altered and was a cruelty case with different owners.

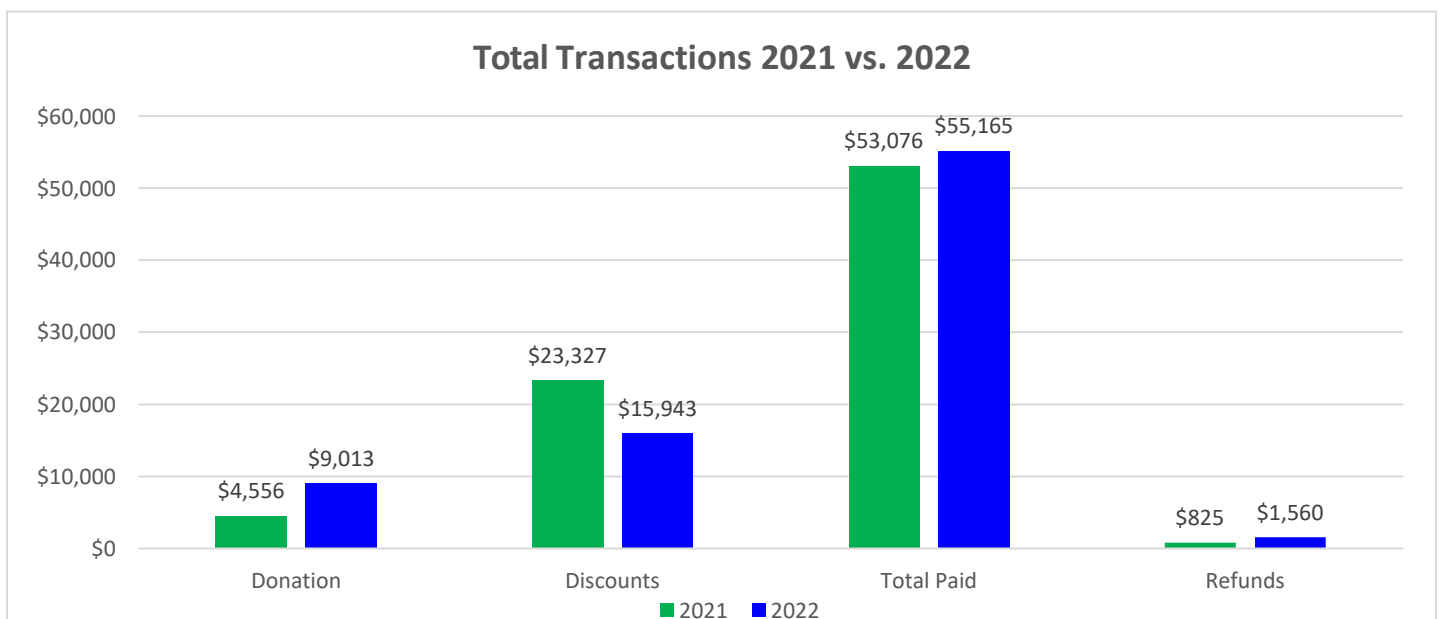
This section was not in the original request.

Shelterluv is a comprehensive web-based Shelter and rescue management system that tracks and maintains animal information regarding medical, history, adoption, fosters, and much more. Their focus is to support Shelters in helping more people and animals within your communities.

The Adoption Comparison information was obtained from the "Adoption Transactions Detail Report" in Shelterluv. This report gives detailed information that includes the Animal, the Adopter, Amount Paid, and Discounts Given. The chart below identifies the amounts received for adopting dogs and cats. This also includes the amounts given as a discount and amounts donated.



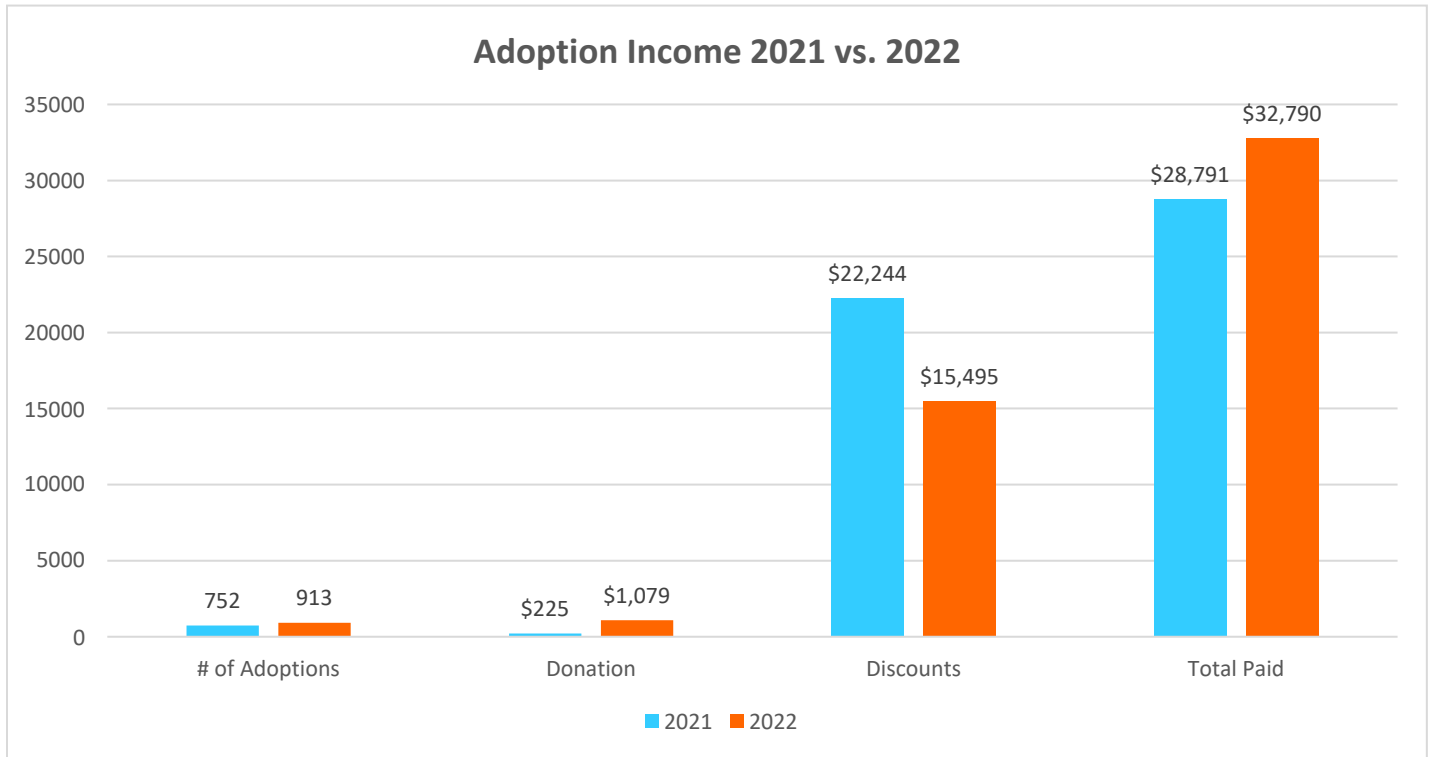
The Total Transaction information was obtained from the "Detailed Transaction Report" in Shelterluv. This report gives detailed information on every transaction made including type, (i.e.: Donation, Purchase of Treatments for Flea & Ticks, Heartworm Preventative, Rabies Shots, Adoptions, Refunds).



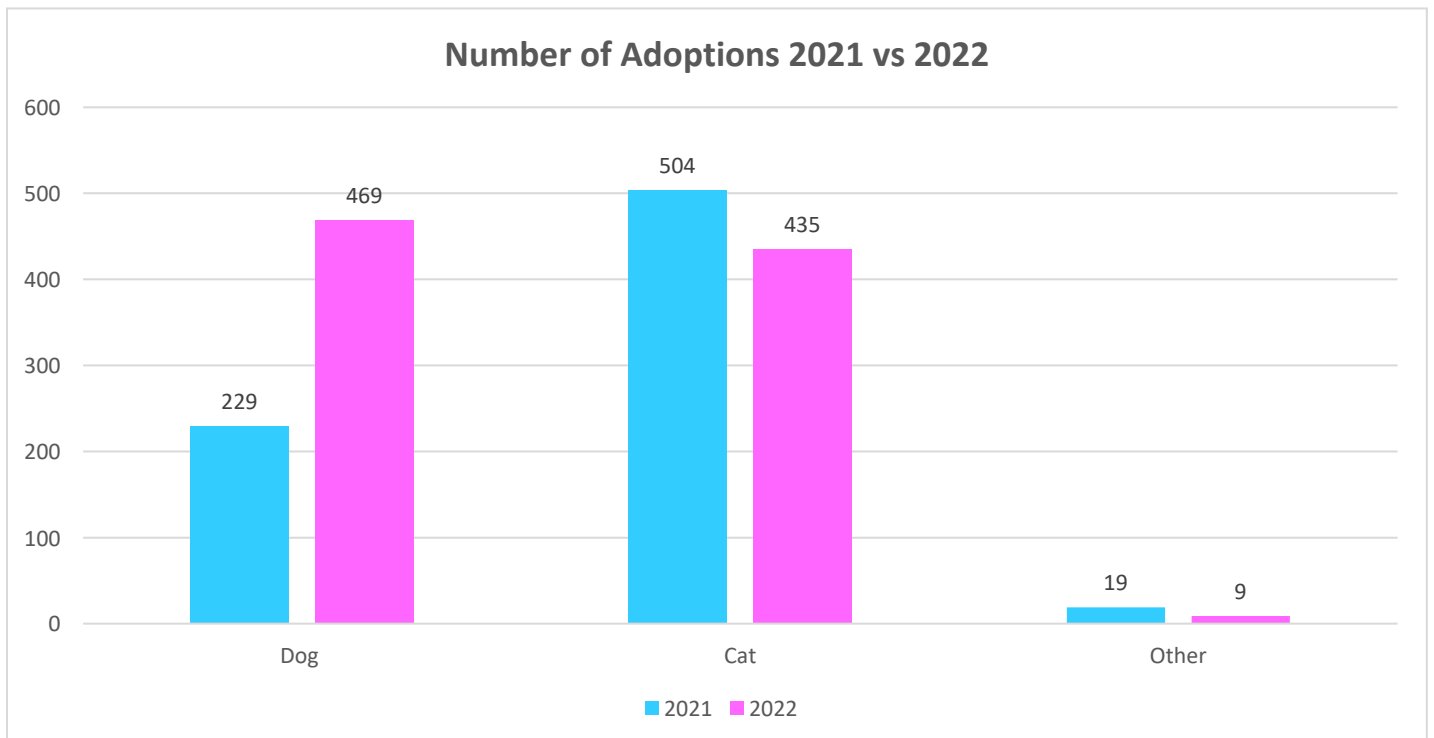
Includes: Adoptions, Medications, Service Fees, Boarding, Owner Surrenders, Cat Boxes, Discounts, & Refunds



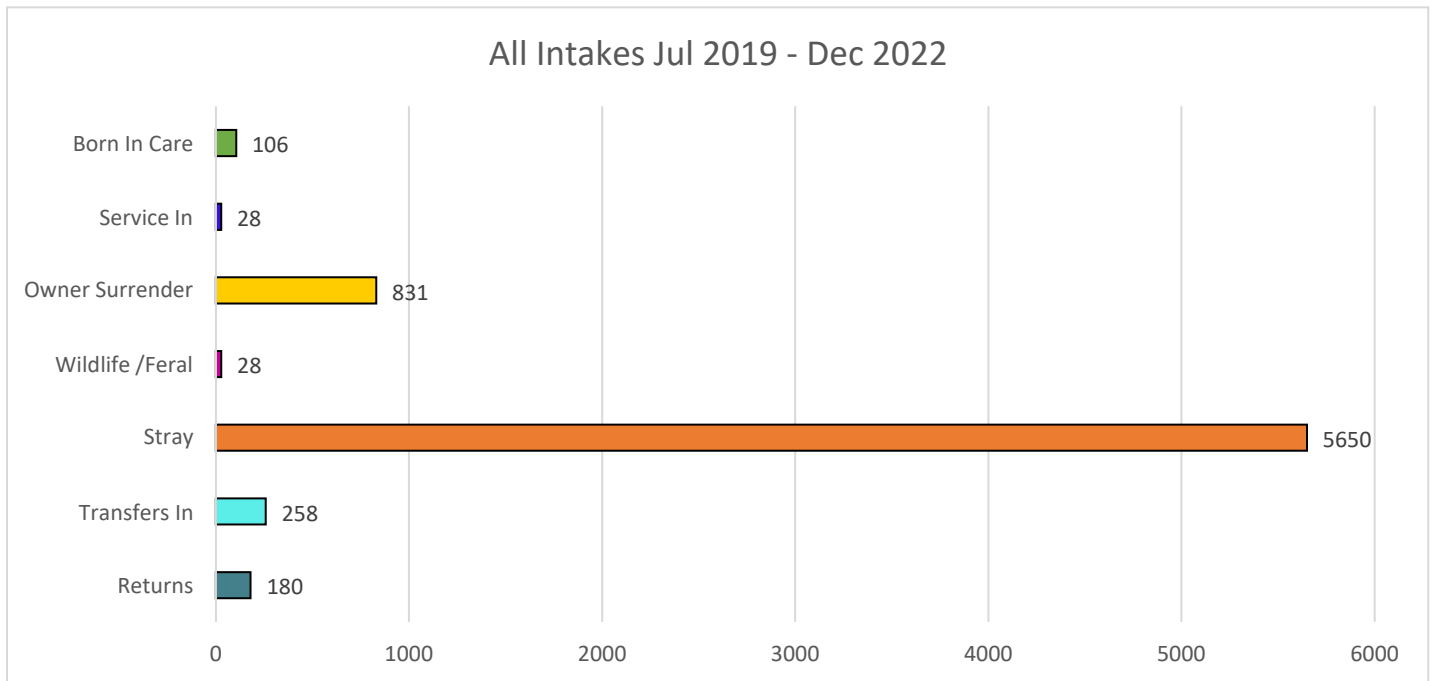
The Adoption Comparison information was obtained from the "Adoption Transactions Detail Report" in Shelterluv. This report gives detailed information that includes the Animal, the Adopter, Amount Paid, and Discounts Given. The chart below includes all types of animals adopted (i.e. goats, birds, dogs, cats, sheep, rabbits) This also includes discounts given and donations received.



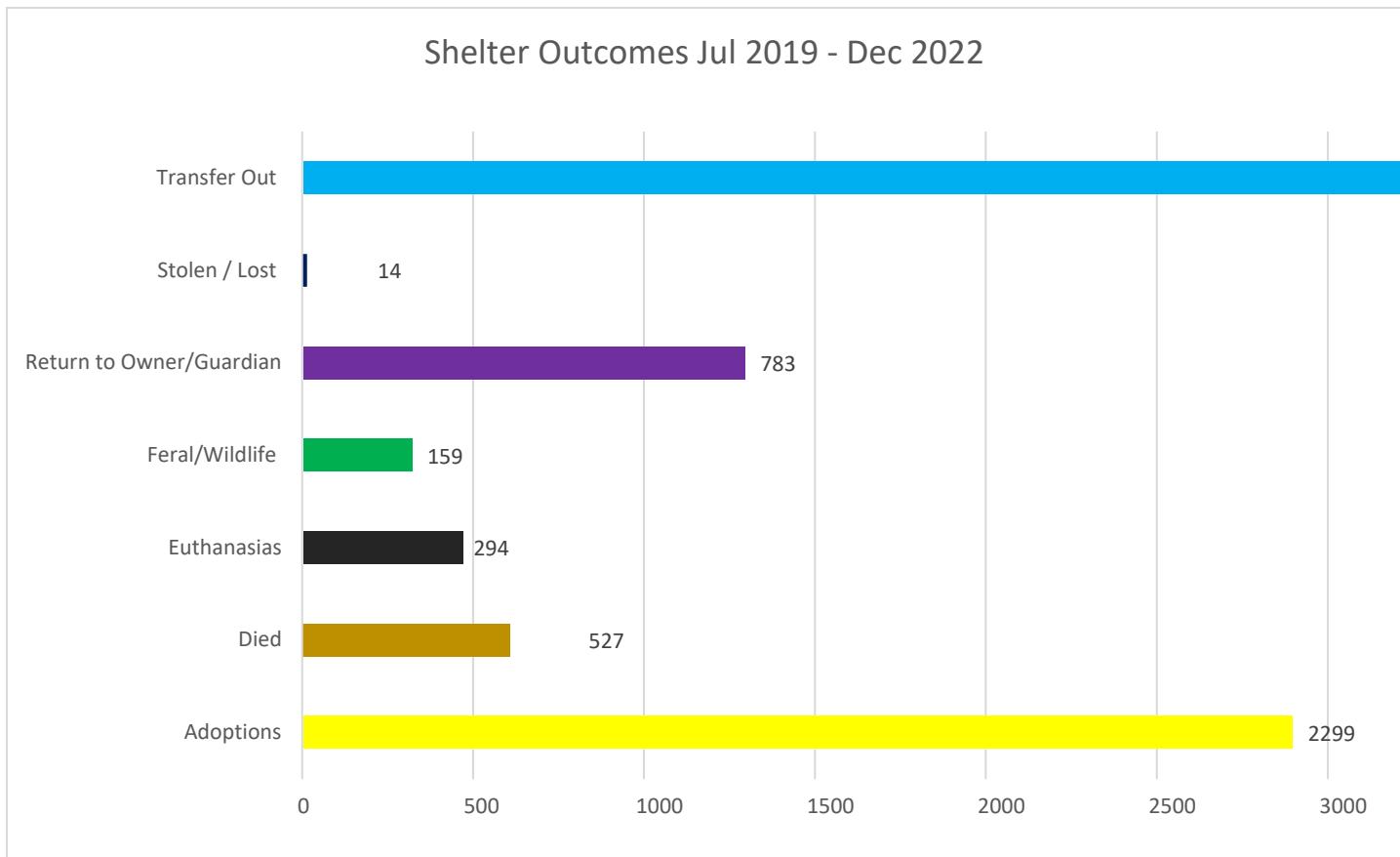
The Adoption Comparison information was obtained from the "Adoption Transactions Detail Report" in Shelterluv. This report gives detailed information that includes the Animal, the Adopter, Amount Paid, and Discounts Given. The chart below identifies the number of dogs and cats that were adopted in years 2021 and 2022.



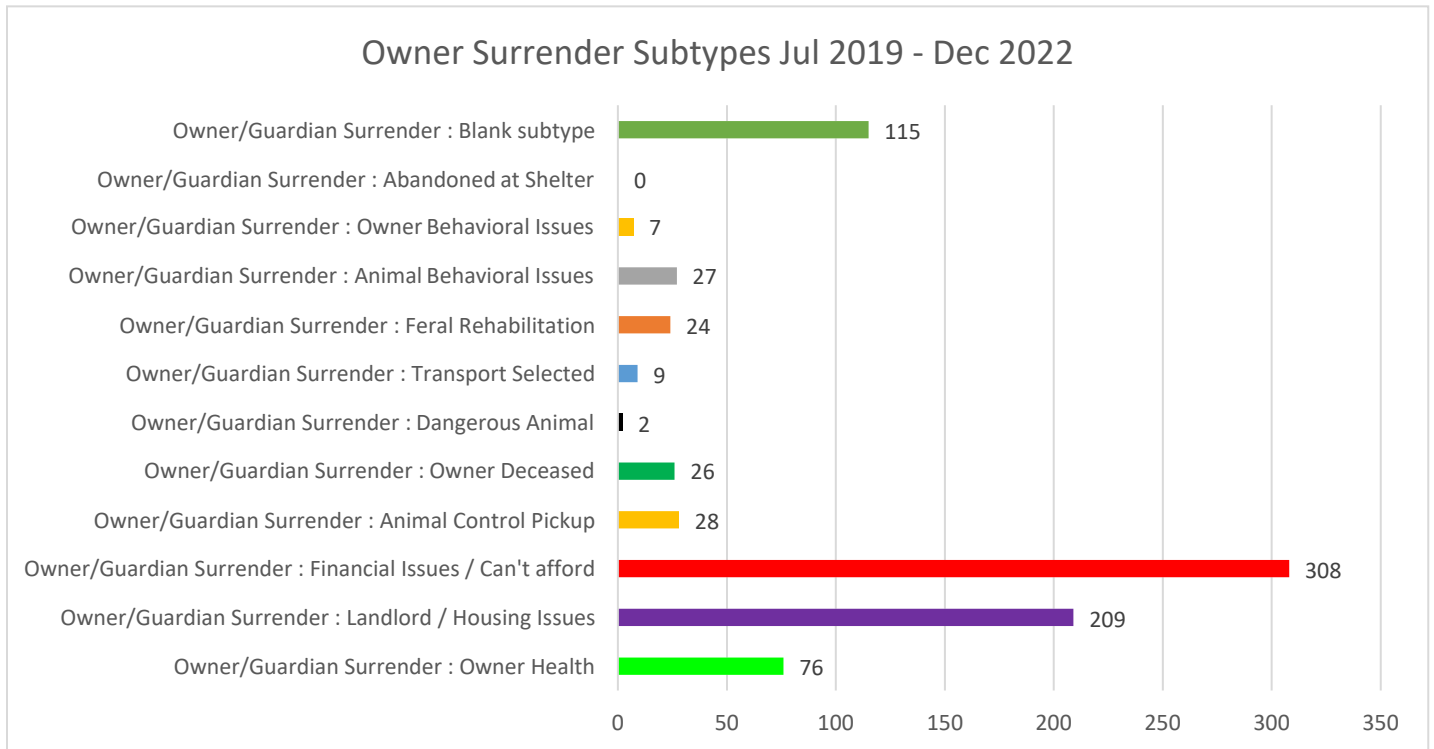
All Intakes information was obtained from the "Animal Intake" report in Shelterluv. This shows the breakdown of how the Animals arrived into Fort Smith Animal Haven.



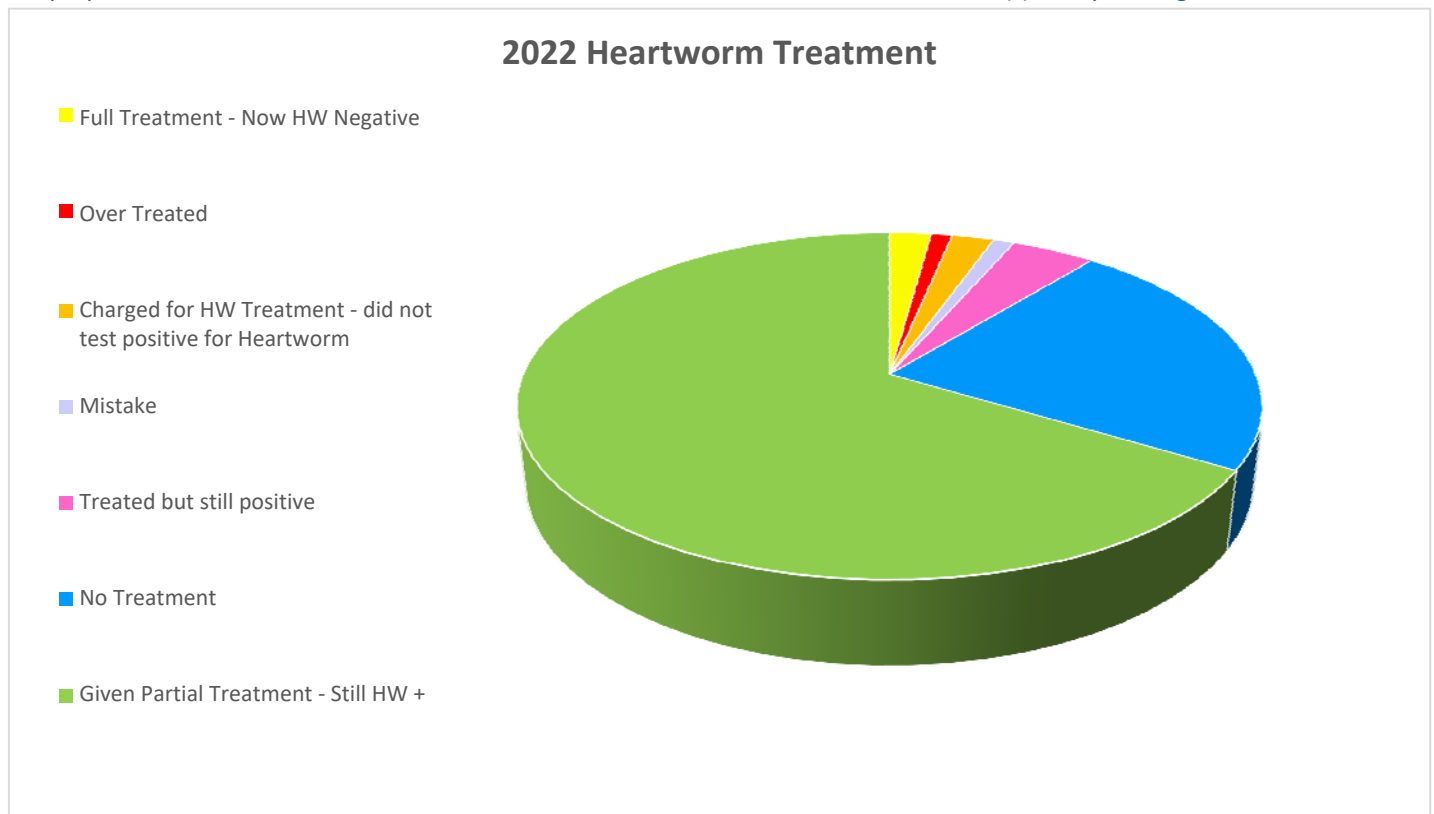
The Shelter Outcome information was obtained from the "Animal Outcome" report in Shelterluv. This shows the breakdown of the Animals disposition.



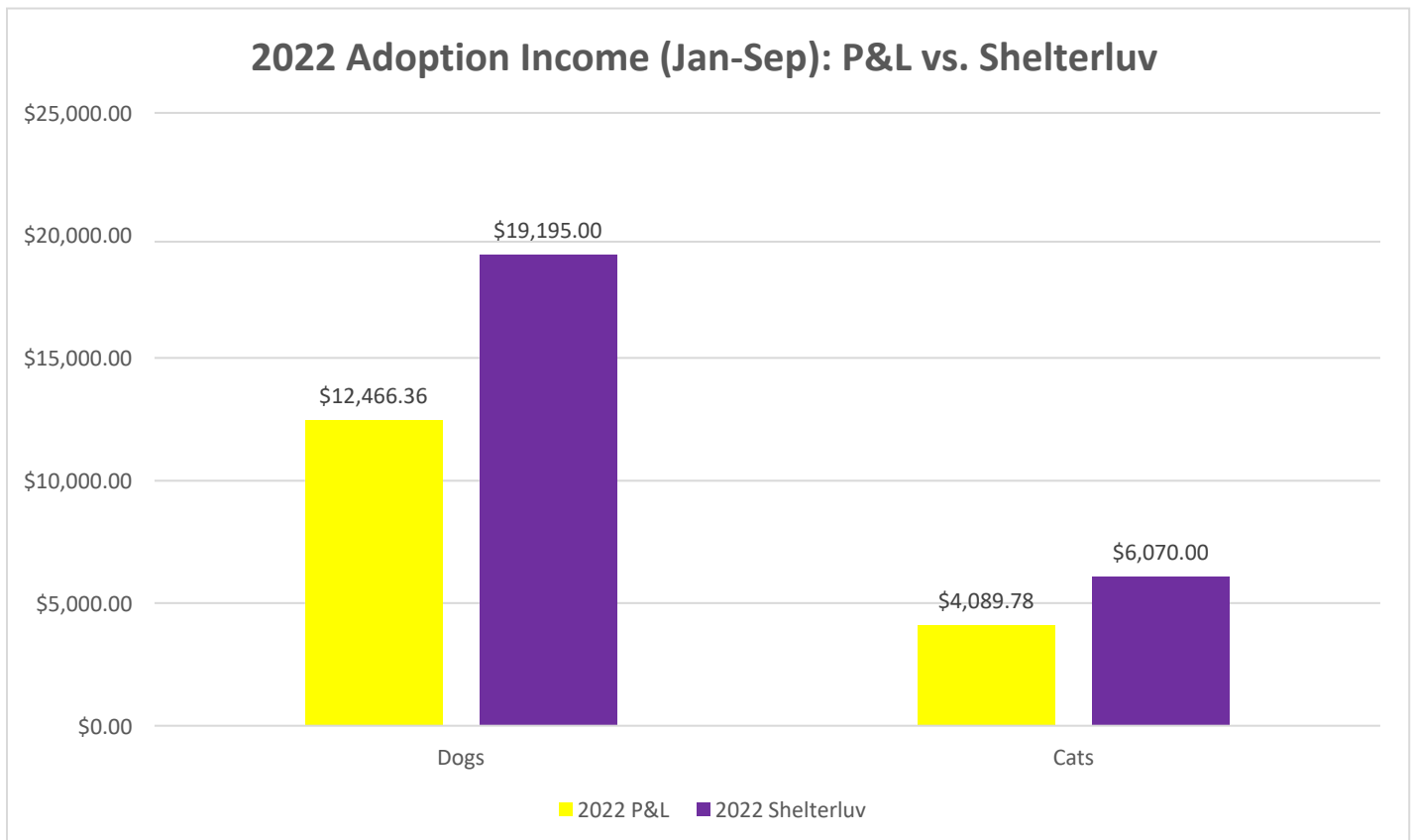
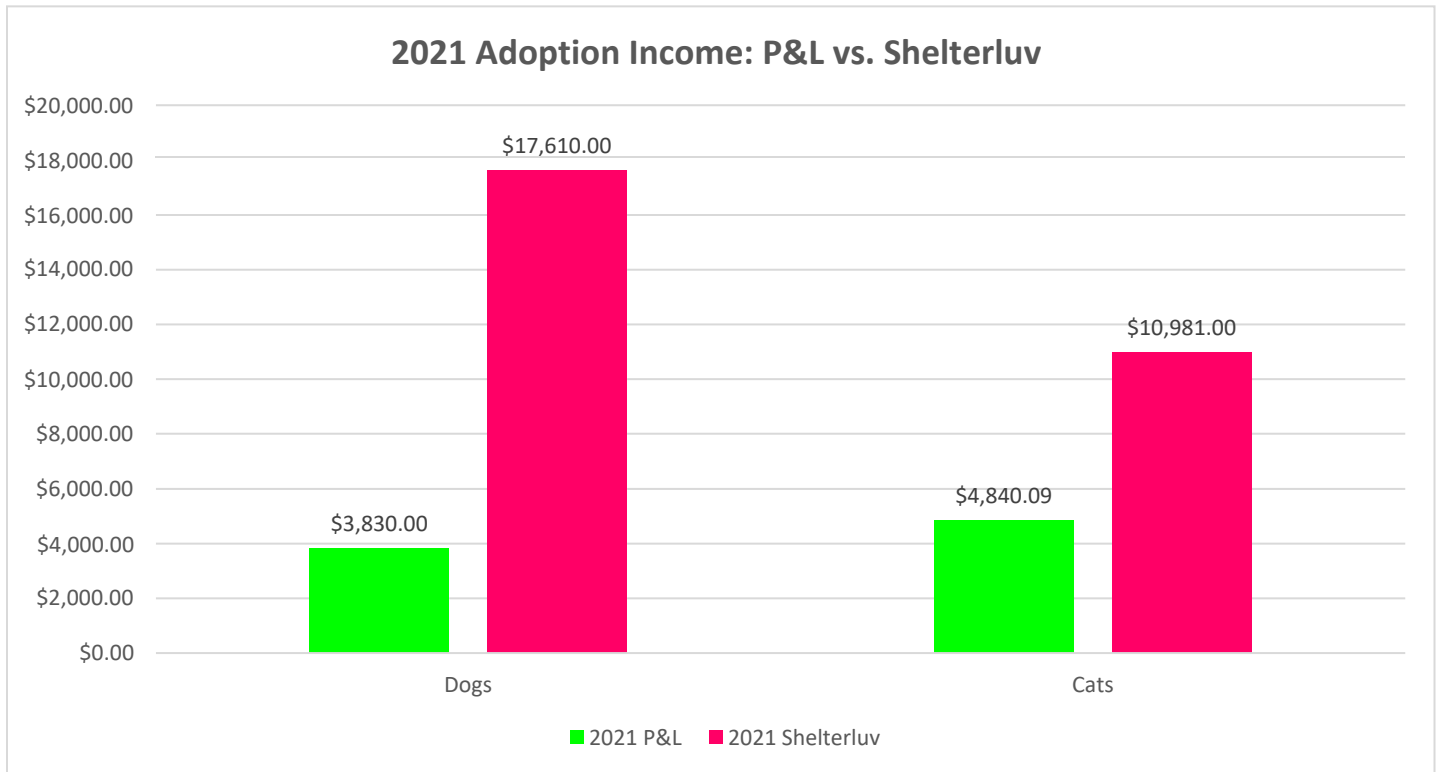
When there is space in the Shelter, Fort Smith Citizens can bring in Found Animals or Surrender their own animals if needed. This information was obtained from the "Animal Intake" report in Shelterluv.



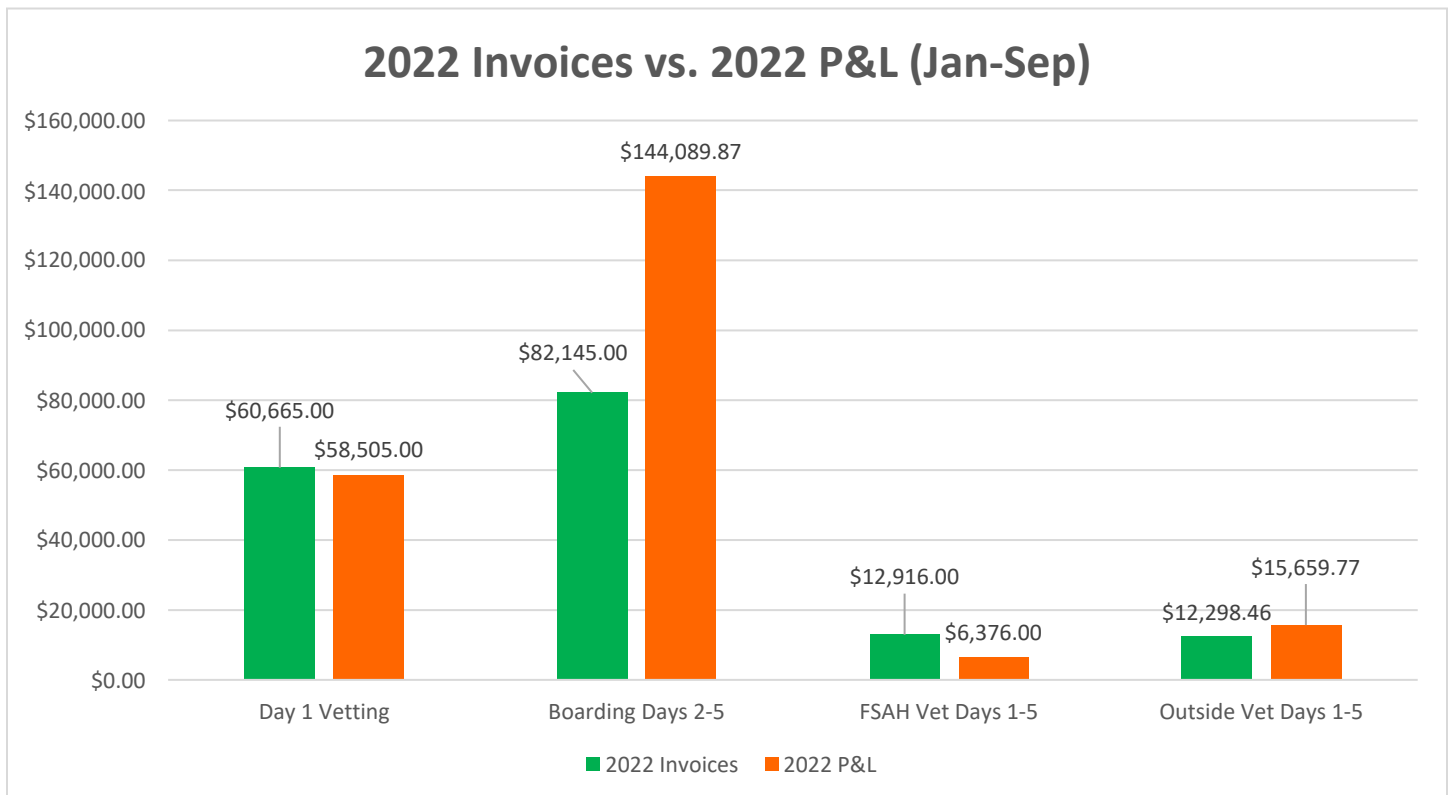
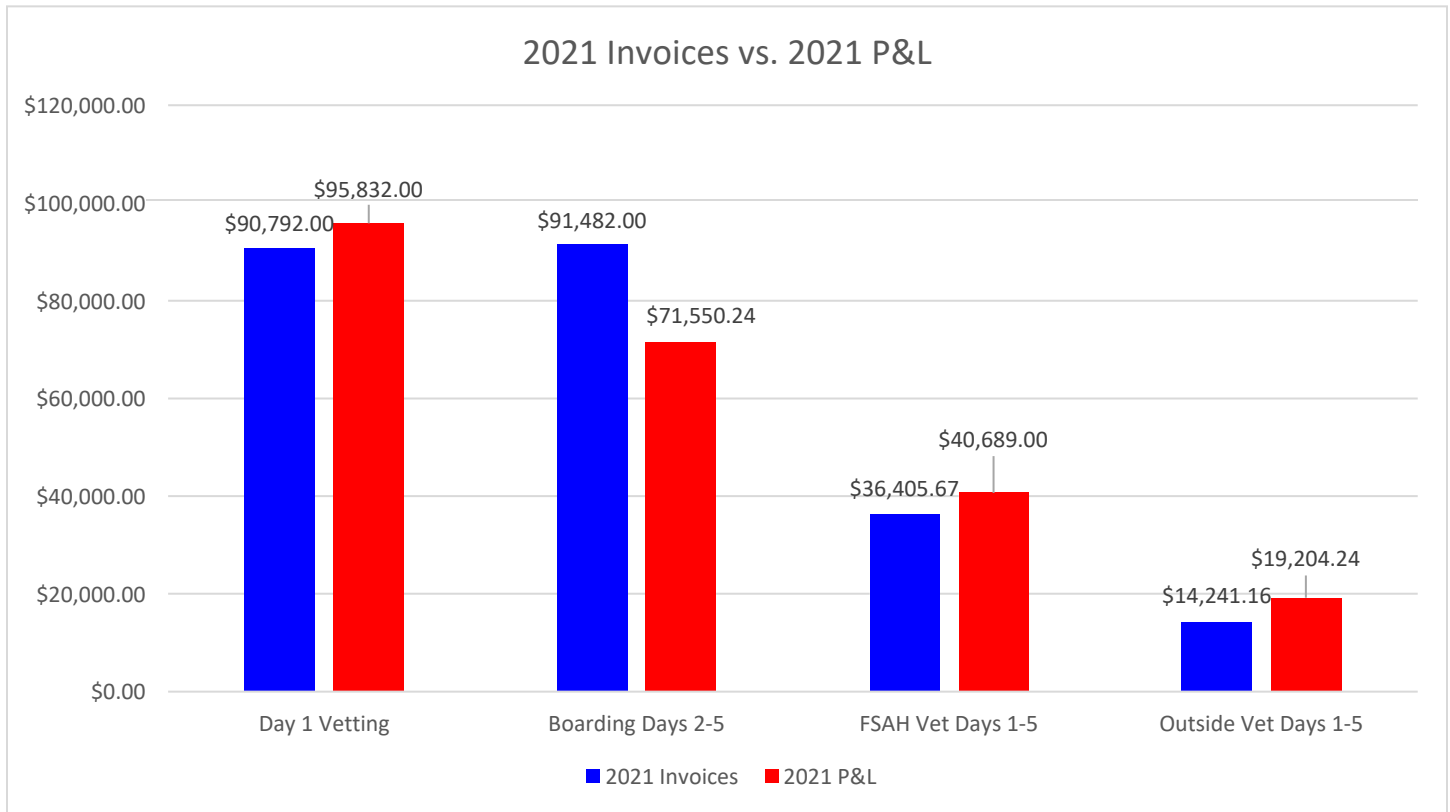
This chart represents all the animals in 2022 that tested positive for Heartworm, this information was obtained from a custom report in Shelterluv for Diagnostic tests and filtered for Heartworm Positive Results. To determine if the animals received or did not receive the proper heartworm treatment, each animal record was reviewed to see what medication(s), if any, were given to the animal.



The 2 charts below represent the difference in income reported based on the Profit and Loss Statement provided by Ms. Altman and the "Adoption Transaction Detail Report" in Shelterluv for all of 2021 and January through September 2022.



The 2 charts below represent the difference in charges to the City based on the Monthly Invoices provided by Ms. Altman and the Profit and Loss Statement also provided by Ms. Altman.



The Outcome by Animal Type information was obtained from the "Animal Outcome" report in Shelterluv.

| Outcome by Animal Type Jul 2019 - Dec 2022                   |                                 |                                      |                                  |                                |                                      |   |                              |   |   |                                  |                              |                          |             |
|--|---------------------------------|--------------------------------------|----------------------------------|--------------------------------|--------------------------------------|---|------------------------------|---|---|----------------------------------|------------------------------|--------------------------|-------------|
|  | CAT:<br>Unweaned<br>(0-5 weeks) | CAT: Kitten<br>(6 weeks-5<br>months) | CAT: Adult<br>Cat (6<br>months+) | DOG:<br>Unknown<br>(0-6 weeks) | DOG: Puppy<br>(6 weeks-12<br>months) | DOG: Adult<br>Dog (12<br>months-7<br>years) | DOG: Senior<br>Dog (7+years) | RABBIT,<br>DOMESTIC:<br>Juvenile<br>(0-1 years) | RABBIT,<br>DOMESTIC:<br>Adult<br>(1+ years) | GOAT:<br>Juvenile<br>(0-1 years) | GOAT:<br>Adult<br>(1+ years) | PIG: Adult<br>(1+ years) | TOTAL       |
| Adoption : Mobile Adoption Event                             | 0                               | 10                                   | 20                               | 0                              | 9                                    | 18  | 0                            | 0   | 0   | 0                                | 0                            | 0                        | 57          |
| Adoption : On-site Adoption                                  | 0                               | 470                                  | 852                              | 0                              | 322                                  | 496   | 64                           | 7   | 2   | 0                                | 0                            | 2                        | 2216        |
| Adoption : Hospice Foster                                    | 0                               | 0                                    | 0                                | 0                              | 0                                    | 1   | 0                            | 0   | 0   | 0                                | 0                            | 0                        | 1           |
| Adoption : Blank subtype                                     | 0                               | 0                                    | 0                                | 0                              | 0                                    | 2   | 0                            | 0   | 0   | 0                                | 0                            | 0                        | 2           |
| Transfer Out : Within Coalition                              | 4                               | 5                                    | 9                                | 18                             | 130                                  | 125   | 12                           | 0   | 1   | 0                                | 0                            | 0                        | 304         |
| Transfer Out : Outside Coalition                             | 12                              | 61                                   | 211                              | 136                            | 1023                                 | 822   | 80                           | 1   | 0   | 0                                | 0                            | 0                        | 2346        |
| Transfer Out : Blank subtype                                 | 0                               | 8                                    | 15                               | 20                             | 99                                   | 56  | 4                            | 0   | 0   | 0                                | 0                            | 0                        | 202         |
| Euthanasia : Behavior/Can't Rehab or<br>Manage               | 0                               | 0                                    | 0                                | 0                              | 1                                    | 26  | 0                            | 0   | 0   | 0                                | 0                            | 0                        | 27          |
| Euthanasia :<br>Medical/Unhealthy/Untreatable                | 5                               | 18                                   | 34                               | 1                              | 20                                   | 15  | 12                           | 0   | 0   | 0                                | 0                            | 0                        | 105         |
| Euthanasia : Blank subtype                                   | 6                               | 13                                   | 27                               | 1                              | 24                                   | 76  | 13                           | 0   | 0   | 0                                | 0                            | 0                        | 160         |
| Died : Died in Foster  | 36                              | 31                                   | 2                                | 8                              | 9                                    | 0   | 2                            | 0   | 0   | 0                                | 0                            | 0                        | 88          |
| Died : Died in Shelter                                       | 41                              | 62                                   | 14                               | 30                             | 66                                   | 10  | 0                            | 0   | 0   | 0                                | 0                            | 0                        | 223         |
| Died : Failure to Thrive                                     | 53                              | 24                                   | 1                                | 13                             | 0                                    | 0   | 1                            | 0   | 0   | 0                                | 0                            | 0                        | 92          |
| Died : Accident  | 0                               | 3                                    | 1                                | 2                              | 0                                    | 2   | 0                            | 0   | 0   | 0                                | 0                            | 0                        | 8           |
| Died : Illness   | 8                               | 10                                   | 8                                | 0                              | 52                                   | 2   | 0                            | 0   | 0   | 0                                | 0                            | 0                        | 80          |
| Died : Died at Vet   | 0                               | 3                                    | 1                                | 0                              | 10                                   | 4   | 1                            | 0   | 0   | 0                                | 0                            | 0                        | 19          |
| Died : Blank subtype   | 4                               | 0                                    | 0                                | 5                              | 5                                    | 1   | 0                            | 1   | 0   | 0                                | 0                            | 0                        | 16          |
| feral/wildlife : Released to Feral Colony                    | 0                               | 13                                   | 141                              | 0                              | 0                                    | 0   | 0                            | 0   | 0   | 0                                | 0                            | 0                        | 154         |
| feral/wildlife : Released to Wild                            | 0                               | 0                                    | 4                                | 0                              | 0                                    | 1   | 0                            | 0   | 0   | 0                                | 0                            | 0                        | 5           |
| Return to Owner/Guardian :<br>Redemption / Returned to Owner | 2                               | 2                                    | 25                               | 0                              | 118                                  | 545   | 81                           | 0   | 2   | 2                                | 3                            | 0                        | 780         |
| Stolen / Lost : Lost   | 0                               | 1                                    | 1                                | 1                              | 2                                    | 5   | 0                            | 0   | 0   | 0                                | 0                            | 0                        | 10          |
| Stolen / Lost : Stolen                                       | 0                               | 0                                    | 0                                | 0                              | 1                                    | 3   | 0                            | 0   | 0   | 0                                | 0                            | 0                        | 4           |
| <b>TOTAL</b>   | <b>171</b>                      | <b>734</b>                           | <b>1366</b>                      | <b>235</b>                     | <b>1892</b>                          | <b>2210</b>                                 | <b>270</b>                   | <b>9</b>  | <b>5</b>                                    | <b>2</b>                         | <b>3</b>                     | <b>2</b>                 | <b>6899</b> |

The table below represents specific overcharges IA found while conducting analysis on the Monthly Invoices provided by Ms. Altman. Which involved looking all animal records that were on the spreadsheets attached to the invoices for January 2022 through July 2022. Random charges were selected in 2019, 2020 and 2021 to identify if this also happened in previous years. IA confirmed these same types of charges took place in those years.

| 2022          | Vetting/boarding<br>Overcharge | Medication<br>Overcharge | Outside Vet<br>Overcharge | Charges for<br>Heartworm<br>Treatment<br>not given or<br>not<br>completed | Monthly<br>Totals  |
|---------------|--------------------------------|--------------------------|---------------------------|---|--------------------|
| Jan           | \$2,515.00                     | \$1,603.00               | \$1,200.50                | \$800.00  | \$6,118.50         |
| Feb           | \$1,675.00                     | \$1,172.00               | \$0.00                    | \$200.00  | \$3,047.00         |
| Mar           | \$2,490.00                     | \$1,011.00               | \$821.59                  | \$200.00  | \$4,522.59         |
| Apr           | \$1,835.00                     | \$1,143.00               | \$518.00                  | \$600.00  | \$4,096.00         |
| May           | \$3,180.00                     | \$500.00                 | \$0.00                    | \$1,000.00  | \$4,680.00         |
| Jun           | \$1,750.00                     | \$250.00                 | \$40.00                   | \$600.00  | \$2,640.00         |
| Jul           | \$1,400.00                     | \$325.00                 | \$0.00                    | \$1,100.00  | \$2,825.00         |
| <b>TOTALS</b> | <b>\$14,845.00</b>             | <b>\$6,004.00</b>        | <b>\$2,580.09</b>         | <b>\$4,500.00</b>   | <b>\$27,929.09</b> |

**\*The charts and such in this report have possibly been changed and might not reflect the updated numbers, please refer to the previously posted Fort Smith Animal Haven Audit on 6/26/23**