



Ernesto G. Pasion
County Auditor

OFFICE OF THE COUNTY AUDITOR

COUNTY OF KAUAI, STATE OF HAWAII

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TO: Council Chair Jay Furfaro
Vice Chair JoAnn A. Yukimura
Councilmember Tim Bynum
Councilmember Dickie Chang
Councilmember KipuKai Kualii
Councilmember Nadine Nakamura
Councilmember Mel Rapozo

FROM: Ernesto G. Pasion
County Auditor

A handwritten signature in black ink, appearing to read "Ernesto G. Pasion", is written over the printed name.

SUBJECT: Annual Work Plan for FY 2012-13

In accordance with Kauai County Charter section 32.02.A.3., I submit my plan of audits for FY 2011-12 as follows:

Ongoing:

- Audit of the County's Take-Home Car Policy and Compliance
The questions for this audit include whether the county's internal and administrative controls surrounding the use of county vehicles are adequate and whether county vehicle use by county employees was properly authorized, complied with county policies, and complied with state and federal laws and regulations.
- Audit of the County's Programs to Manage Employee Costs: Furlough
Work on this audit commenced in April 2011, and the audit is scheduled to be completed by December 2012. The questions for this audit include whether the expected monetary savings were achieved, whether internal controls or revenue streams were affected by the furlough, and the impact of the furlough on the local economy.
- Audit of the County's Programs to Manage Employee Costs: Partial Hiring Freeze
The questions for this audit include whether the expected monetary savings were achieved and whether internal controls were compromised because positions providing checks and balances were not filled.

- Review and Assessment of Selected Issues Regarding the Enforcement of Permitting Conditions (pre-audit survey)

This pre-audit assessment reviews the feasibility of a full audit on selected issues involving the enforcement of planning and building permit conditions, including how permitting conditions are being enforced, and if permitting fees and real property taxes on permitted structures are being appropriately assessed and collected.

New:

- Financial Audit of the County of Kaua'i for the Fiscal Year Ending June 30, 2011 (contract audit)

The audit consists of the overall financial audit of the County and the Single Audit of federally-funded programs.

- Economy and Efficiency Audit of the Department of Parks and Recreation

The audit evaluates the Department of Parks and Recreation's management of selected programs, projects and initiatives to identify opportunities for improved efficiency, effectiveness and cost-effectiveness. The selected activities will be reviewed for alignment with best practices.

- Review and Assessment of Selected Issues Regarding Overtime Use and Abuse (pre-audit assessment)

This pre-audit assessment reviews the feasibility of a full audit on selected issues involving the management of overtime, including if overtime policies are adequate and if overtime is appropriately authorized.

As explained in the budget presentations, we anticipate being able to complete two audits this fiscal year. As planned audits are concluded, we may perform other audits or pre-audit assessments. In addition to the audits, the Office of the County Auditor will issue a citizen-friendly, plain language publication describing the highlights of the Financial Audit.

I will notify you in writing if we add audits, terminate audits, or otherwise change the audit plan.

Through these audits and publications, we intend to provide professional and objective information for the purpose of promoting efficiency, effectiveness and transparency in county operations.

C: Mayor Bernard P. Carvalho, Jr.
Managing Director Gary Heu
County Clerk Ricky Watanabe