



October 17, 2002

DEPT. COMM. NO. 5

The Honorable Robert Bunda
President of the Senate
State Capitol, Room 003
Honolulu, Hawaii 96813

Dear Mr. President:

I transmit to you copies of our reports, *Contract and Personnel Management Audit of the Emergency Medical Services and Injury Prevention System Branch* (Report No. 02-14) and *Report on the Revolving Funds, Trust Funds, and Trust Accounts of the Department of Human Resources Development, Department of Labor and Industrial Relations, Department of Public Safety, and Department of Taxation* (Report No. 02-15).

In Report No. 02-14, we generally found that Department of Health officials shirked their contract and personnel management responsibilities. With over \$30 million in contracts with public and private entities to provide emergency medical services, branch management failed to adequately administer these contracts. As a result, contractors inappropriately used state funds, services may not have been provided effectively or efficiently, and the State may have lost significant amounts of revenue. We also found that poor controls over personnel resulted in recurring leave abuse by branch staff, inaccurate leave records, low staff morale, questionable employee performance, and the potential for workplace violence.

In Report No. 02-15, we reviewed 37 funds and accounts (9 revolving funds, 11 trust funds, and 17 trust accounts) of the departments of Human Resources Development, Labor and Industrial Relations, Public Safety, and Taxation. For each fund or account reviewed, we present a five-year financial summary, the purpose of the fund or account, and conclusions about its use.

We hope that the reports will assist you in reviewing the issues examined. The reports will be available at our website, www.state.hi.us/auditor, and released to the public and press on Friday, October 18, 2002.

Sincerely,

Marion M. Higa
State Auditor

Enclosures

c:✓ Paul Kawaguchi, Senate Clerk