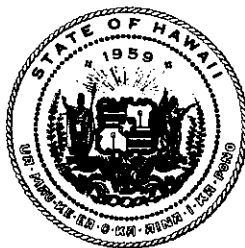


STATE OF HAWAII
OFFICE OF THE AUDITOR
465 S. King Street, Room 500
Honolulu, Hawaii 96813-2917



MARION M. HIGA
State Auditor
(808) 587-0800
FAX: (808) 587-0830

DEPT. COMM. NO. 44

January 23, 2006

The Honorable Robert Bunda
President of the Senate
State Capitol, Room 003
Honolulu, Hawai'i 96813

Dear Mr. President:

I transmit to you a copy of our report, *Audit of the Department of Human Services' Temporary Assistance for Needy Families Program*.

We found that the department's program decisionmaking is guided by the availability of federal funding rather than a comprehensive plan and coherent strategies. Although the department's spending comports with federal guidelines, it has not developed long-term plans, adequate performance measures, or a process for public involvement in setting policies and priorities. We also found that service contracts have fallen short of the department's own TANF contract procedures and practices, resulting in deficient justifications and performance measures and a focus on outputs rather than outcomes. Our audit found that the Legislature's concerns and subsequent actions to control the department's spending were justified.

We hope that the report will assist you in reviewing the issues examined. We will place the report on our website, www.state.hi.us/auditor, and release it to the public and press, on Tuesday, January 24, 2006.

Sincerely,

Marion M. Higa
State Auditor

Enclosure

c: ✓ Paul Kawaguchi, Senate Clerk