
SENATE CONCURRENT RESOLUTION

REQUESTING AN AUDIT OF THE ADULT MENTAL HEALTH DIVISION.

1 WHEREAS, Act 119, Session Laws of Hawaii 1999, allowed the
2 Department of Health to privatize functions performed at the
3 State hospital and to provide comprehensive community-based
4 programs for those individuals who would be either discharged or
5 diverted from the state hospital; and

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7 WHEREAS, the Department of Health responded to Act 119 by
8 increasing community-based services; and

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10 WHEREAS, under 23-4, Hawaii Revised Statutes, the Office of
11 the Auditor, State of Hawaii, has the authorization to conduct
12 postaudits of the transactions, accounts, programs, and
13 performance of all departments, offices, and agencies of the
14 State and its political subdivisions and, pursuant to this
15 power, conducted an audit of the Adult Mental Health Division's
16 Management of Contract Community Services; and

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18 WHEREAS, pursuant to 23-4, Hawaii Revised Statutes, the
19 Auditor conducted an audit and submitted its final report to the
20 Legislature in February of 2002; and

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22 WHEREAS, the Auditor found that the Adult Mental Health
23 Division Chief was derelict in her duties, and that the Director
24 of Health, who oversees the Division Chief, overlooked several
25 concerns; and

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27 WHEREAS, the Auditor noted that millions of dollars were
28 spent without ensuring the maximum purchasing value of public
29 funds, contracts were awarded to vendors without assuring that
30 all proposals were fairly evaluated and without following
31 specifications set forth in the request for proposals, and
32 significant modifications changed the contracts' scopes and
33 prevented adherence with the open competition and fairness
34 principles of the Hawaii Public Procurement Code; and



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WHEREAS, the Legislature recognizes that the Department of Health is encountering major changes in administration, eligibility requirements, services, and structure; and

WHEREAS, the Legislature believes that it is appropriate to review the Adult Mental Health Division's management as well as its fiscal operations again since the last audit was executed nine years ago; now, therefore,

BE IT RESOLVED by the Senate of the Twenty-fifth Legislature of the State of Hawaii, Regular Session of 2010, the House of Representatives concurring, that the Office of the Auditor is requested to conduct a management and financial audit of the Adult Mental Health Division of the Department of Health; and

BE IT FURTHER RESOLVED that the Office of the Auditor submit a report on the audit findings to the Legislature no later than twenty days prior to the convening of the 2011 Regular Session; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the State Auditor, the Director of Health, and Mental Health America of Hawaii.