
HOUSE CONCURRENT RESOLUTION

REQUESTING THE AUDITOR TO CONDUCT AN AUDIT OF CONTRACTS EXECUTED
BY THE DEPARTMENT OF HUMAN SERVICES.

1 WHEREAS, the expenditure of public money should always be
2 subject to the highest levels of accountability and
3 transparency; and
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5 WHEREAS, concern and alarm has been raised regarding the
6 necessity, procurement, awarding, and extension of contracts
7 currently administered by the Department of Human Services
8 (DHS); and
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10 WHEREAS, Benton and Associates has \$3,200,000 contract to
11 integrate services and maximize federal revenue use within DHS,
12 which has created an additional layer of administrative decision
13 making within DHS at a significant cost to taxpayers; and
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15 WHEREAS, NorthStar, LLC, appears to have been receiving
16 Temporary Assistance for Needy Families (TANF) funds, in the
17 amount of \$2,200,00, to provide services with which they have no
18 experience, a requirement for TANF-related contracts for
19 services; and
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21 WHEREAS, the extension of the Northstar, LLC, contract by
22 DHS appears to not fairly take into consideration the results
23 and effectiveness of other organizations that provide similar
24 services; and
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26 WHEREAS, Report No. 06-02, entitled, *Audit of the*
27 *Department of Human Services' Temporary Assistance for Needy*
28 *Families Program*, issued in January 2006 by the Office of the
29 Auditor revealed several concerns and weaknesses in the
30 procurement practices of DHS with regards to TANF funding; and
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1 WHEREAS, the Auditor recommended that, among other things,
2 DHS improve its contracts for services to ensure that each
3 contract:

- 4 (1) Is properly justified and clearly linked to a
5 documented objective;
6 (2) Provides quantified deliverables or outcomes, which
7 are reported at fixed intervals to DHS; and
8 (3) Provides for consequences if the services delivered do
9 not meet the agreed upon criteria; and

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11 WHEREAS, it appears that the conclusions and
12 recommendations made by the Auditor in Report No. 06-02 issued
13 in January 2006 regarding the TANF program could be extended to
14 other contracts executed by DHS; now, therefore,

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16 BE IT RESOLVED by the House of Representatives of the
17 Twenty-fifth Legislature of the State of Hawaii, Regular Session
18 of 2009, the Senate concurring, that the Auditor is requested to
19 conduct a fiscal and management audit of contracts executed by
20 the Department of Human Services; and

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22 BE IT FURTHER RESOLVED that the Department of Human
23 Services is requested to fully cooperate with the Auditor in the
24 conduct of the audit; and

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26 BE IT FURTHER RESOLVED that the Auditor is requested to
27 report findings and recommendations, including any necessary
28 proposed legislation, to the Legislature no later than twenty
29 days prior to the convening of the Regular Session of 2010; and

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31 BE IT FURTHER RESOLVED that certified copies of this
32 Concurrent Resolution be transmitted to the Auditor and the
33 Director of Human Services.

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