## STATE OF HAWAI'I OFFICE OF THE AUDITOR

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MARION M. HIGA State Auditor

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February 6, 2007

The Honorable Colleen Hanabusa President of the Senate State Capitol, Room 409 Honolulu, Hawai'i 96813

Dear Madam President:

I transmit to you a copy of our report, Audit of the Child Support Enforcement Agency.

While CSEA has undertaken significant efforts to implement recommendations from our 2003 study, we found that agency leadership's reactive management style continues to inhibit long-term success. As a result, CSEA continues to lack clear directions and lags other states in performance and in applying available technology to increase effectiveness and efficiency. In addition, existing resources and opportunities are underutilized and the agency lacks the means to account for its achievements. Furthermore, the agency also has not addressed long-standing problems in managing its trust fund for support payments.

We recommend that the agency improve its strategic planning process and adopt a results-based management approach. We further recommend that available technology solutions be used more aggressively to improve agency efficiency and measures be established to document the outcomes of technology projects. Finally, we urge the agency to improve accounting and management of the accounts used for recording transactions related to receipts and disbursements of support payments.

We hope that the report will assist you in reviewing the issues examined. We will place the report on our website, <a href="www.state.hi.us/auditor">www.state.hi.us/auditor</a>, and release it to the public and press, on Wednesday, February 7, 2007.

Sincerely,

Marion M. Higa State Auditor

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Enclosure

c: Carol Taniguchi, Senate Clerk 310435