OFFICE OF THE CITY AUDITOR
KE KEʻENA O KA LUNA HŌʻOIA
1001 KAMOKILA BLVD. STE. 216, KAPOLEI, HI 96707

TROY SHIMASAKI
ACTING CITY AUDITOR
LUNA HŌʻOIA
OFFICE OF THE CITY AUDITOR
TELEPHONE: (808) 768-3134
FAX: (808) 768-3135
EMAIL: tshimasaki@honolulu.gov

MEMORANDUM

TO: Members of the Honolulu City Council

FROM: Troy Shimasaki, Acting City Auditor

DATE: June 30, 2026

SUBJECT: Audit of the City's Resource Management and Administration of the Crisis Outreach Response and Engagement Program, and the Honolulu Emergency Services Department

I. PURPOSE

This memorandum serves as formal written notification that the Office of the City Auditor (hereinafter "the Audit Team") is suspending the performance *Audit of the City's Resource Management and Administration of the Crisis Outreach Response and Engagement Program, and the Honolulu Emergency Services Department*, effective June 30, 2026. This action is taken in accordance with Government Auditing Standards (GAS), 2018 Revision, issued by the Comptroller General of the United States (the "Yellow Book").

The suspension is necessitated by two distinct, independently sufficient conditions: (1) material concerns regarding the reliability of data and records provided to the Audit Team; and (2) a significant change in the program's direction and objectives since audit initiation. These conditions, individually and in combination, prevent the Audit Team from conducting the engagement in accordance with generally accepted government auditing standards (GAGAS).

Because this audit was suspended prior to completion, **no formal audit report or assurance will be issued**. In fulfillment of Yellow Book standards, this justification is being placed in the audit workpapers, and written notice of this termination is being formally communicated to the Honolulu Emergency Services Department and Managing Director in accordance with **GAS §§ 5.35**.

II. APPLICABLE PROFESSIONAL STANDARDS

This notification and the decision to suspend the audit are based on our professional judgment grounded in the following provisions of the Government Auditing Standards, 2018 Revision**:**

- **GAS §§ 5.25 – Terminated Engagements:** If an engagement is terminated before it is completed and an audit report is not issued, auditors should document the results of the work to the date of termination and why the engagement was terminated.

- **GAS §§ 8.05 – Continuous Planning Process:** Audit planning is a continuous process, and audit plans or steps should be reevaluated and adjusted throughout the audit, as necessary.

- **GAS § 8.06 & 8.16 – Audit Risk Mitigation:** Auditors must plan the audit to reduce audit risk to an acceptably low level. This includes identifying and addressing limitations in evidence, data, or scope that could cause the auditors to reach an incorrect or incomplete conclusion. Auditors must obtain sufficient, appropriate evidence to provide a reasonable basis for their findings and conclusions. (**GAS 8.90**)

- **GAS §§ 8.62–8.67 –Information Systems Controls & Data Reliability:** When information systems controls are significant to the audit objectives, auditors should evaluate the design, implementation, and operating effectiveness of such controls. This includes determining if the data processed by these systems is sufficiently reliable for the audit objectives. Auditors should determine the sufficiency and appropriateness of data used as audit evidence. If the data are determined to be unreliable or have significant limitations, auditors must evaluate whether alternative evidence can be obtained or if a scope limitation exists.

- **GAS §§ 8.79 -Application Guidance Identifying Sources of Evidence and the Amount and Type of Evidence Required**: If auditors believe it is likely that sufficient, appropriate evidence will not be available, they may revise the audit objectives or modify the scope and methodology and determine alternative procedures to obtain additional evidence or other forms of evidence to address the current audit objectives.

- **GAS §§ 8.113- Overall Assessment of Evidence:** The steps to assess evidence may depend on the nature of the evidence, how the evidence is used in the audit or report, and the audit objectives. Evidence is sufficient and appropriate when it provides a reasonable basis for supporting the findings or conclusions within the context of the audit objectives. Evidence is not sufficient or appropriate when (1) using the evidence carries an unacceptably high risk that it could lead auditors to reach an incorrect or improper conclusion; (2) the evidence has significant limitations, given the audit objectives and intended use of the evidence; or (3) the evidence does not provide an adequate basis for addressing the audit objectives or supporting the findings and conclusions.

III. BASIS FOR SUSPENSION

A. Data Reliability Concerns

In the course of performing audit procedures, the Audit Team identified significant concerns regarding the accuracy, completeness, and integrity of data and records provided by the Auditee. In accordance with GAO-20-283G, the extent of our data reliability assessment and the final determination are guided by three core factors: the expected importance of the data to the final report, the strength of any corroborating evidence, and the anticipated risk of using the data.

Based on the evaluation process outlined in the guidance, we identified problems or uncertainties in the data that cannot be sufficiently addressed. Consequently, the data has been assessed as *Not Sufficiently Reliable* (NSR) for the audit's specific objectives. Consistent with GAS §§ 8.62–8.67, the Audit Team conducted data reliability assessments and identified the following issues:

- **Absence Of Reliable Source Systems and Data Lifecycle Controls:** Fieldwork observations and interviews with program management revealed that the program lacks an integrated, controlled data environment including record management deficiencies prior to 2026, input vulnerabilities and data omissions, and reactive reporting capabilities where the program lacks automated reporting tools or real-time data visibility. Audit fieldwork interviews and system reviews revealed systemic flaws in the data lifecycle and collection environment including tracking which relied on fragmented, handwritten logs because of a lack of centralized databases that were not yet created or consistently updated. Management acknowledged that program data is only as accurate and good as the one who inputs it and field workers may not be consistent and timely in submitting encounter data leading to systemic underreporting and data gaps.
- **Data Integrity & Internal Reconciliation Issues:** Monthly reports contain conflicting mathematical totals and shifting data universes that make it difficult to establish accuracy including unreconciled sample sizes, mismatched totals, tracking disconnects.
- **Definition and Methodological Gaps:** Reporting and documentation lacks clear frameworks and transparency regarding how data is captured including lack of core definitions and performance metrics. The program cannot provide standard metrics essential for a comprehensive performance audit as a result of interchangeable terminology and missing performance metrics.

B. Significant Change in Program Direction and Objectives

Since the commencement of this audit on September 9, 2025, the Audit Team has identified changes to the Crisis Outreach Response and Engagement Program that materially alter the program's scope, direction, and/or objectives. More specifically, we found that the program's mission, service model, and governance had not been clearly defined or consistently maintained.

- Resolution 25-109, CD1 required an evaluation of effectiveness against a defined mission and public safety and health goals. We found that an audit baseline could not be established due to constant, fundamental shifts in CORE's program goals, structure, and strategic target metrics. Program definition and mission have not been consistently defined over time. The CORE program is described inconsistently across sources and the program has shifted its efforts five times since 2021. The program's direction has

evolved without formal redefinition of its scope. As a result, effectiveness is difficult to measure and key performance indicators were inconsistent during this period.

For this audit, audit objectives were prescribed to the Audit Team by Resolution 25-109, CD1 and, as a result, could not be revised. Relatively, scope and methodology could not be modified as it is based off the audit objectives. The Audit Team requested corrective data or explanations via correspondence dated June 12, 2026 for alternative procedures to obtain evidence. As of the effective date of this suspension, the Auditee has not provided data of sufficient reliability to permit the Audit Team to form conclusions in accordance with GAGAS. Proceeding under these conditions would introduce unacceptably high audit risk and require the Audit Team to issue findings not supported by adequate evidence, which is impermissible under **GAS § 8.90**.

IV. SUMMARY OF WORK PERFORMED TO DATE

Prior to termination, the audit team completed the following steps during the planning and fieldwork phases:

- Reviewed policies and procedures, and administrative rules and guidelines
- Reviewed CORE staffing including contracts, position descriptions, and FTE counts
- Reviewed and analyzed program financial data
- Reviewed and analyzed historical program materials including monthly and annual reports
- Performed data integrity analysis and reconciled testing summary
- Accompanied CORE personnel in the field to observe program operations and assess service delivery
- Evaluated program reporting methodology
- Interviewed program managers and Honolulu Emergency Services Department (HESD) leadership
- Interviewed social service partners to assess interagency coordination
- Observed intake and dispatch pathways
- Developed the program's organizational timeline from 2021 through its expected 2026 trajectories, documenting shifts in operations and upcoming changes

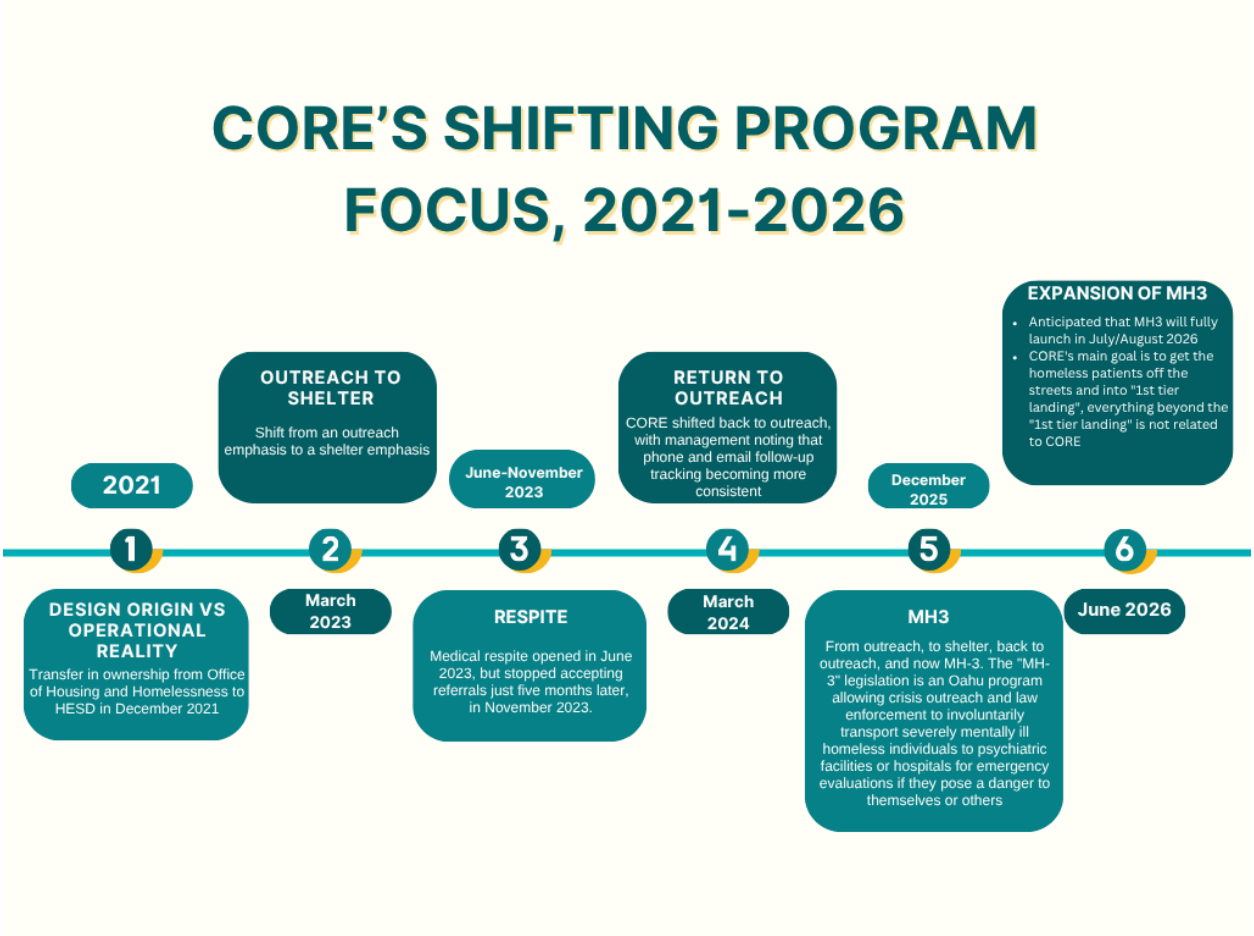
Note: All workpapers, preliminary analyses, and evidence gathered up to this termination date have been indexed and will be retained in the audit project folder per our organization's record retention policies.

V. RESULTS OF WORK PERFORMED TO DATE

While no formal conclusions or testing were finalized, the preliminary work highlighted the following risks or areas of concern that management should monitor:

- **Record Management and Input Vulnerabilities** Audit fieldwork interviews and system reviews revealed systemic flaws in the data lifecycle and collection environment including tracking which relied on fragmented, handwritten logs because of a lack of centralized databases that were not created yet or consistently updated. Management acknowledged that program data is only as accurate and good as the one who inputs it and field workers may not be consistent and timely in submitting encounter data leading to systemic underreporting and data gaps.

- **CORE's Mission, Service Model, and Governance Have Not Been Clearly Defined or Consistently Maintained**
    - The program experienced an immediate disconnect between design origin and operational reality when ownership transferred from the Office of Housing and Homelessness to HESD in December 2021.
    - The program's core operational focus has been inconsistent, shifting from an initial outreach focus to a "shelter emphasis" in March 2023, only to pivot back to an "outreach emphasis" between June and November 2023.
    - A medical respite facility opened under the program in June 2023 but abruptly stopped accepting referrals just five months later in November 2023, completely disrupting corresponding performance tracking.
    - The program's scope is currently transitioning away from purely voluntary engagement toward the "MH-3" framework (legislated in March 2024 with a planned full launch in July/August 2026). This framework allows crisis outreach and law enforcement to involuntarily transport severely mentally ill individuals for emergency psychiatric evaluations, entirely changing the universe of legal and operational metrics.



As a result of these changes, the audit objectives established during the planning phase—as set forth in the audit notification letter dated **April 6, 2026**—no longer accurately reflect the program's current operational environment. Continuing the audit under the original objectives would produce findings that are not responsive to the program's current state and could result in misleading or inapplicable conclusions, inconsistent with **GAS § 8.01** *(which dictates that performance audits must provide objective analysis to oversight bodies)*

VIV. QUESTIONS AND POINTS OF CONTACT

Questions regarding this memorandum or the suspended engagement should be directed to:

Troy Shimasaki
Title: Acting City Auditor
Organization: City & County of Honolulu Office of the City Auditor
Telephone: 808-768-3134
Email: tshimasaki@honolulu.gov

cc: Dr. James Ireland, Director, Honolulu Emergency Services
Krishna F. Jayaram, Managing Director
Ian Scheuring, Deputy Managing Director