

EXECUTIVE SUMMARY OF THE PERFORMANCE AUDIT OF THE DEPARTMENT OF THE PROSECUTING ATTORNEY

FORWARD

The Department of the Prosecuting Attorney investigates and prosecutes violations of all statutes, ordinances and regulations for which there are criminal sanctions within the City and County of Honolulu. The mission of the Department is "to promote and ensure public safety and order through effective, efficient and just prosecution" (adopted in 1989).

The performance audit of the Department of the Prosecuting Attorney was conducted by Coopers & Lybrand pursuant to a request by the City Council, City and County of Honolulu. The objectives of the audit was to assess the adequacy of the Department's organization and management of budgetary and fiscal processes for the fiscal years ended 1985 through 1991, and to provide recommendations to improve the operations of the Department. It also focused on the Department's organization and management of new programs and special projects, including the Kroll-MTL contract, during this period (see Appendix H for a listing of the projects reviewed).

The following provides a synopsis of our recommendations designed to improve the operations of the Department based on our review of the budgetary and fiscal processes, new programs and special projects. The report is structured in the following categories:

- Management of Consultant Contracts
- Organization of Budgetary and Fiscal Planning Processes
- Other Issues Relating to the Department's Case Management System

Management of Consultant Contracts

- We recommend that the Department implement necessary procedures to facilitate compliance with the City and County of Honolulu's purchasing procedures.
 - .. The Prosecuting Attorney should ensure that no work is begun until a contract is executed and approved by the Director of Finance.
 - .. The Director of Finance should also strictly enforce such procedures to ensure the availability of funds and to avoid any miscommunication on what may be considered unallowable expenditures.
 - .. The Department should ensure that all documents are properly filed with the Request for Selection of Consultant form prior to submittal to the Technical Review Committee (TRC). The TRC should also strictly enforce this policy to comply with the City's Administrative Directives manual and to adequately evaluate and select consultants.
- We recommend that the objectives and scope of the work to be performed and payment terms be defined in all contracts. If the need for confidentiality requires the objectives and scope of the work to be deliberately vague in the contract, then the Department of Finance should establish procedures to retain the confidentiality of clearly defined terms (i.e., restrict access to an appendix which clearly details the work to be performed).
- There should be proper documentation when a public exigency is declared. Guidelines should be established by the City clearly indicating what constitutes a public exigency and the types of supporting documentation required.

- The Department should consider changing the nature of Mr. Jeffrey Yamashita's employment from an independent contractor to an employee (i.e., civil service or appointed position) to comply with IRS regulations and to avoid potential liability in back taxes and penalties.

Organization of Budgetary and Fiscal Planning Processes

- In order to ensure that annual budgets are submitted to the Department of Budget on a timely basis (first working day in September), the Department should establish internal deadlines and assign deadline responsibilities to specific individuals.
- We recommend that division heads be more involved in the planning and management of the budget for their divisions (i.e., current expenditures, equipment and salaries). They should prepare the initial budget and be provided the final budget approved by the Department of Budget.
- The Department should also perform monthly or quarterly comparisons of budget to actual expenditures at the Department and divisional levels to identify overages or shortages on a more timely basis to more effectively allocate and utilize limited resources.
- The Department should expand its current fixed asset system to include information about whether the equipment was purchased with grant money, its specific use and the termination date of that grant. This information will help to track when the assets purchased with grant money may be used for other purposes.

Other Issues Relating to the Department's Case Management System

- We recommend that data processing contracts be jointly managed by the Department and the Department of Data Systems. Data Systems should be primarily responsible for the technical aspects of the projects to minimize problems such as inadequate documentation on contract specification changes and to adequately connect with other governmental databases.
- The Department should continue to pursue its objective of tracking cases within each branch of the Department on one case tracking system to generate comprehensive statistical information.
- The Department should consider producing statistical reports, for the divisions and for the department as a whole, which monitor pending cases.
- We recommend that all data processing contracts be reviewed by the Department of Data Systems. This may help identify design problems or potentially unrealistic contract amounts or deadlines. If Data Systems is not qualified to perform such tasks, it should be the responsibility of Data Systems to obtain the necessary resources and ensure proposed data processing systems are adequately reviewed.
- We also recommend that any contract changes be properly documented on a formal written change order to maintain a record of contract changes and to verify that these changes were achieved. Without the objectives of a project clearly documented, effective management is difficult.
- We recommend that the City consider pursuing the overall concept of interfacing the database systems with the State and local governments with respect to the tracking of Hawaii's criminals. We also recommend that Data Systems be charged with the

responsibility of ensuring that data processing systems are developed with this long-range program in mind. Furthermore, appropriate policies should be in place to promote cooperation between various governmental units where there is a common goal.