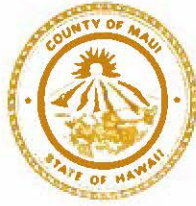


**RICHARD T. BISSEN, JR.**  
Mayor

**ANDREW H. MARTIN**  
Prosecuting Attorney

**SHELLY C. MIYASHIRO**  
First Deputy Prosecuting Attorney



**DEPARTMENT OF THE PROSECUTING ATTORNEY**  
COUNTY OF MAUI  
200 SOUTH HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
PHONE (808) 270-7777 • FAX (808) 270-7625

July 18, 2024

**APPROVED FOR TRANSMITTAL**

Honorable Richard T. Bissen, Jr.  
Mayor, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

*Richard T. Bissen, Jr.* 7-19-24  
Mayor Date

For Transmittal to:

Honorable Yuki Lei K. Sugimura, Chair and Members of the Maui County Council  
Budget, Finance, and Economic Development Committee  
via email [bfed.committee@mauicounty.us](mailto:bfed.committee@mauicounty.us)

**SUBJECT: ANNUAL COMPREHENSIVE FINANCIAL REPORT, SINGLE AUDIT  
REPORT, AND DEPARTMENT OF WATER SUPPLY'S FINANCIAL AUDIT  
REPORTS (BFED-21(25))**

Dear Chair Sugimura and Members,

I am writing in response to the Budget, Finance, and Economic Development Committee's letter dated July 8, 2024. As requested, please find our responses to our inquiries below:

1. Explanation of deficiencies:

**Ref. No. 2023-005 Subrecipient Monitoring – Significant Deficiency**

The identified deficiencies stemmed from several factors:

- The subrecipient monitoring form for Child Family Services contained an incorrect grant award number which had not been corrected.
- The subrecipient monitoring form for Women Helping Women could not be located in either physical or electronic grant files.
- A subrecipient monitoring form for the end of the grant period was either inadvertently not included in our file, or was not completed.

**Corrective Actions Taken:**

In response, the Department immediately implemented a Subrecipient Checklist to establish clear timelines and deadlines for completing subrecipient monitoring. Additionally, measures were taken to ensure monitoring was conducted both during and at the conclusion of the FY2024 VOCA grant period (which was the period immediately following the audited period). To oversee compliance, the Grants Management Specialist now conducts monthly reviews with the Project Director on grant file maintenance.

**Ref. No. 2023-006 Allowable Costs – Significant Deficiency**

The deficiencies with respect to supporting documentation for allowable costs were attributed to inadequate internal controls:

- Not all expenditures were accompanied by a VOCA Expense Approval Form
- Detailed expense transaction logs and/or general ledgers were missing for Request for Federal Funds (RFF) reports and Project Expenditure & Obligations (PEO) reports.
- Not all RFF and PEO reports had a detailed breakdown of payroll and non-payroll expenses.

**Corrective Action Taken:**

Prior to the audit, corrective actions were implemented. These corrective actions were then implemented across all FY2024 awarded grants, specifically the FY2024 VOCA grant, aimed at enhancing the documentation of grant expenditures. This includes ensuring all financial reports feature detailed expenditure breakdowns, justification of expenses accompanied by VOCA Expense Approval Forms, and comprehensive general ledgers. To monitor adherence, monthly meetings between the Grants Management Specialist, Account Clerk III, and Project Director now review expenditures, with quarterly sessions involving the Administrative Officer to oversee grant file management.

**2. Why did these deficiencies happen?**

The Program Director who was responsible for the management of this grant resigned from the Department in September 2023. For this reason, efforts to determine why this occurred by examining the actions/inactions of personnel was not undertaken. The department participates in annual desk monitoring (extensive file reviews) with the Attorney General's Office for this grant every year. Prior desk monitoring did not indicate deficiencies.

However, the Department did not have the levels of administrative review and support in place to ensure that the Project Directors for each of our grants are complying with all reporting, documentation, and internal control requirements. As described above, that level of administrative review and support has already been

Honorable Richard T. Bissen, Jr.  
For Transmittal to: Honorable Yuki Lei Sugimura  
Pate Two  
July 16, 2024

implemented as a corrective measure. In June 2024, we hired a new Program Director who will be overseeing this particular grant. The new Program Director has extensive prior experience with this grant in two separate jurisdictions: Maui County and Clark County, Nevada.

3. Will these findings impact the County's ability to coordinate with other law enforcement agencies or obtain future grant funding? Why or why not?

The findings will not impact the County's ability to coordinate with other law enforcement agencies or obtain future grant funding as these deficiencies were due to internal controls and did not affect the accuracy of our expenditures or reporting to the grant agencies. Our corrective measures were implemented for the most recent VOCA grant (FY2024) and are in place for all future awards as well, ensuring that we comply with internal documentation and reporting requirements. For these reasons, future funding will not be affected.

Sincerely,



ANDREW H. MARTIN  
Prosecuting Attorney

att: Corrective Action Plan 2023-005 & 2023-006

Ref.

**No.      Compliance and Internal Control over Compliance Findings**

**2023-005   Subrecipient Monitoring - Significant Deficiency**

**Recommendation**

We recommend the County ensure the completion of its Project Monitoring Report Form during the contract period and obtain the Subrecipient Monitoring Form from its subrecipients at the end of every contract period as part of its monitoring procedures over subrecipients.

***View of Responsible Officials and Planned Corrective Action***

Management agrees with this finding. Yes

***Anticipated Completion Date: 3/25/2024***

***Responding Person(s):*** Robert Nadal  
Grant Management Specialist  
Phone No. 808-270-7608

The Department of the Prosecuting Attorney's office has reviewed and agreed one of the Subrecipient Monitoring Forms was not submitted, as we cannot locate it as it was stored on a computer hard drive of a former employee. However, on the second monitoring form which was submitted, after further review, discrepancies were found within the submitted monitoring form in regard to back-up documentation. The monitoring was conducted and completed within the requested time frame but a follow-up was not conducted to address a discrepancy for the VOCA-SNAP-20-V2-01 grant. Subrecipient monitoring will be conducted at the end of every grant period as per the Recommendation. The DPA has already implemented that such forms are to be maintained electronically on a shared drive and hard copy for the file.

**Ref.**

**No.**

**Compliance and Internal Control over Compliance Findings**

**2023-006 Allowable Costs – Significant Deficiency**

**Recommendation**

We recommend the County follow their internal control process to ensure that adequate documentation supports the accumulation of costs charged to the Program as required by 2 CFR §200 Subpart E.

***View of Responsible Officials and Planned Corrective Action***

Management agrees with this finding. Yes

***Anticipated Completion Date:*** 3/27/2024

***Responding Person(s):*** Robert Nadal  
Grant Management Specialist  
Phone No. [808-270-7608]

The Department of the Prosecuting Attorney's office has reviewed and agreed the Allowable Costs FE Form did not accompany the respective RFF. Prior to the audit, the DPA's Account Clerk had already implemented back-up documentation that clearly shows each payroll and non-payroll breakdown on monthly invoices submitted. With each invoice submitted, it will state, as an example, "VOCA-SNAP 21-V2-01 Report & Attachments MM/YY". A sample of this was submitted on March 25, 2024 with response. In short, the necessary back-up requested going forward is and will be available to submit for future audits or reviews.

## BFED Committee

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**From:** Estrelita Dahilig <Estrelita.B.Dahilig@co.maui.hi.us>  
**Sent:** Friday, July 19, 2024 4:17 PM  
**To:** BFED Committee; Yukilei Sugimura  
**Cc:** Andrew Martin; Cynthia Sasada; Glen Duran; Josiah Nishita; Keanu LauHee; Leo Caires; Louise Batoon; Pili Nahooikaika  
**Subject:** Annual Comprehensive Financial Report, Single Audit Report, and Dept of Water Supply's Audit Reports (BFED-21(25))  
**Attachments:** BFED.Chair. Prosecutors Office.pdf

Pls see attached Transmittal.  
Thank you