

## Legislative Auditor

# OVERVIEW

## OPERATIONS AUDIT OF THE CHILD SUPPORT PAYMENT PROCESS

Honolulu, Hawaii

December 1989

### Summary

Congress passed the Child Support and Establishment of Paternity Act of 1974 to cut the cost of welfare by giving states incentives to collect support payments from welfare fathers. The program today serves both welfare and non-welfare families. In 1975, the Legislature created Hawaii's Child Support Enforcement Agency (CSEA) to collect and distribute payments from parents required by law to support their children. The agency is now housed in the Department of the Attorney General, with a staff of 117 permanent and 56 temporary positions.

This audit was undertaken because the Office of the Ombudsman received continuing complaints about the collection and distribution of child support

payments by the CSEA. Delays in payments can cause families frustration and distress. Regular, timely financial support is needed for a stable home environment.

The operations of the agency have a significant impact. In 1988, the CSEA distributed over \$15 million in child support payments. As of September 1989, it had 62,861 cases statewide, and it disbursed an average of 9,100 checks each month. The agency does not systematically collect information on payment processing times or compile statistics on complaints. A review of sample cases found payment processing times that ranged from one day to several months. Complaints continue to occur.

### FINDINGS

The Child Support Enforcement Agency has made some progress in improving the collection and distribution process. However, the long-term reliability of the payment processing operations remains in question because the agency has a combination of problems that include (1) a need to complete the process of integrating and automating operations; (2) a lack of adequate operational control to minimize errors and inconsistencies that cause delays; and (3) difficulties in recruiting and retaining staff to fill established positions.

### RECOMMENDATIONS

The agency should complete conversion of its manual ledgers

and work with the Department of Human Services to improve the processing of pass-through payments. The agency should also initiate a follow-up to the earlier review of the system by the Information and Communication Services Division of the Department of Budget and Finance.

The agency should develop appropriate management information on its processing times, adequate written procedures, and timely and appropriate training for its staff.

To solve its staffing problems, the agency should continue to explore short-term measures, such as emergency hires and increased advertising, to fill vacant positions. But it should also look to the long term by developing an appropriate classification structure.

### RESPONSE

The attorney general says that the report identifies the major problems in the collection and distribution of child support payments. The staffing problem is of serious concern. Efforts to improve the process are being implemented or will be initiated according to the recommendations of the report.

The Department of Human Services concurs with the recommendation to work closely with the CSEA to improve the processing of pass-through payments.