

OVERVIEW

THE AUDITOR
STATE OF HAWAII

Audit of the Management of Small Boat Harbors and Boat Ramps

Summary

For some time, various groups, including the Legislature, the Office of the Auditor, and the boating community have been critical of the management of small boat harbors and boat ramps in Hawaii. In response to this growing concern, the 1997 Legislature, through House Concurrent Resolution No. 153, H.D. 1, requested the Auditor to conduct an audit of the management of state run small boat harbors and boat ramps.

As centers of economic activity, small boat harbors are important assets to the State. Their proper maintenance and operation allow Hawaii residents to benefit from the state's natural resources by engaging in recreational boating, commercial and personal fishing, and small business operations.

Proper management of small boat harbors and boat ramps has been a long-standing problem for the Department of Land and Natural Resources. Our office has pointed out in past audits that the administration and operation of small boat harbors and boat ramps are deficient in several areas. Some of these problems include the lack of a comprehensive boating program for the State, unsafe conditions in the small boat harbors, inadequate security, and unreliable financial information on the revenues and expenditures. In this audit we found the management of small boat harbors and boat ramp continues to be plagued with problems. The Board of Land and Natural Resources, which is responsible for the overall administration of Hawaii's boating program, has not sufficiently improved and directed that program. Harbors are unsafe, in need of repair, and boaters fail to receive adequate services. In addition, we found the Department of Land and Natural Resources has not adequately managed the small boat harbors and boat ramps. The boating program lacks clear guidance, boating regulations are not enforced, and the true cost of operating individual boating facilities is unknown. Finally, we found that the department needs to correct strategic and operational deficiencies before attempting to evaluate alternative management practices such as privatizing the small boat harbors. For example, the role and function of small boat harbors must be clarified, and the department must be able to accurately account for expenditures and project budgeting needs.

Recommendations and Response

We recommend that the Board of Land and Natural Resources establish a comprehensive statewide boating program to include the establishment of a

strategic plan, statewide standards for the minimum services to be provided at each of the boating facilities, and a multi-year program and financial plan addressing the need for repairs at the boating facilities. We also recommend the Department of Land and Natural Resources, in conjunction with the Division of Boating and Ocean Recreation, establish adequate management and financial controls that would include a policies and procedures manual, clear and concise administrative rules, clear procedures for issuing permits and conducting vessel inspections, and a financial accounting system that is able to track all expenditures and account for all moneys owed to the division. Finally, we recommend that the department delay the implementation of alternative forms of management until it has corrected the strategic and operational deficiencies identified in our current report.

The Department of Land and Natural Resources generally agrees with the findings and recommendations. The department states that the efforts to explore alternative forms of management such as privatization of facilities, community based management, or even the proposed Hawaii Maritime Authority, were externally driven. The department basically disagrees with our recommendation to delay the implementation of alternative forms of management until it has addressed its strategic and operational deficiencies. It notes that while operational deficiencies need to be corrected, it intends to recommend an alternative management scheme to the Board of Land and Natural Resources if such a scheme to correct these deficiencies can be identified. We disagree with the department. The overall direction of the program, or the desired end, needs to be addressed first before the State can determine the most effective and advantageous means, or form of management, for the boating program.

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