



HOUSE COMMITTEE ON WATER, LAND, & HAWAIIAN AFFAIRS
The Honorable Ryan I. Yamane, Chair
The Honorable Chris Todd, Vice Chair

H.B. NO. 1925, RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS

Hearing: Wednesday, February 5, 2020, 9:00 a.m.

The Office of the Auditor takes **no position** on H.B. No. 1925 and offers the following comments.

The bill directs the Auditor to conduct a financial and performance audit of the Department of Hawaiian Home Lands (DHHL), including a review of:

- (1) Funding sources, including any county, state, federal, private, or other outside funding sources or partnerships, or both;
- (2) Use of funds obtained through the Native American Housing Assistance and Self Determination Act of 1996;
- (3) Offices, including any neighbor island offices;
- (4) Staff travel;
- (5) Personnel, staff positions, and salaries; and
- (6) Technological needs.

We note that DHHL's financial statements are audited annually. We procure the services of independent CPA firms to audit the financial statements of State departments and programs, including DHHL, as well as the State's Comprehensive Annual Financial Report (or CAFR). Akamine, Oyadomari & Kosaki CPA's, Inc. is currently DHHL's financial auditor. The financial audit reports are posted on our website at <http://auditor.hawaii.gov/>.

With respect to the performance audit directed by the bill, we have concerns about our ability to assess all the identified areas considering our staffing resources and the time in which we have to complete the audit.

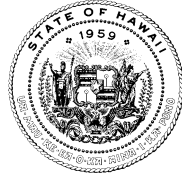
Performance audits provide objective analysis, findings, and recommendations intended to assist management and those charged with governance and oversight to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability. Typically, a performance audit assesses a program's operations against appropriate criteria, such as relevant statutes, administrative rules, policies, procedures, and best practices.

We strongly suggest that the committee limit the scope of the audit and identify as specifically as possible the programs or activities that it wants assessed to ensure that we report on those issues that the Legislature is most interested in having us examine.

Thank you for considering our testimony related to H.B. No. 1925.

DAVID Y. IGE
GOVERNOR
STATE OF HAWAII

JOSH GREEN
LT. GOVERNOR
STATE OF HAWAII



WILLIAM J. AILA, JR.
CHAIRMAN
HAWAIIAN HOMES COMMISSION

TYLER I. GOMES
DEPUTY TO THE CHAIRMAN

**STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS**

P. O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF WILLIAM J. AILA, JR, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEE ON WATER, LAND, & HAWAIIAN AFFAIRS
HEARING ON FEBRUARY 5, 2020 AT 9:00AM IN CR 325

HB 1925 RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS

February 4, 2020

Aloha Chair Yamane, Vice Chair Todd, and members of the Committee:

The Department of Hawaiian Home Lands (DHHL) submits comments on this bill that requires the Auditor to conduct a financial and performance audit of DHHL.

An independent financial and compliance audit of DHHL is being completed annually and the most recent audit for the year ended June 30, 2018 can be accessed here: <https://emma.msrb.org/ER1346417.pdf>. Audits for the years ended June 30, 2009 through June 30, 2017 can be accessed here: <https://investorrelations.hawaii.gov/dhhl/dhhl-annual-audited-financial-statements/>

Thank you for your consideration of our testimony.

HB-1925

Submitted on: 2/3/2020 11:10:12 PM

Testimony for WLH on 2/5/2020 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Clifford Goo	Hawaii Rifle Association	Support	Yes

Comments:

HB-1925

Submitted on: 2/1/2020 7:08:05 AM

Testimony for WLH on 2/5/2020 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Benton Kealii Pang, Ph.D.	Individual	Support	No

Comments:

HB-1925

Submitted on: 2/3/2020 11:34:17 PM

Testimony for WLH on 2/5/2020 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Azuma Chrupalyk	Individual	Support	No

Comments:

Please get rid of the corruption.