



SENATE COMMITTEE ON WAYS AND MEANS
The Honorable Donovan M. Dela Cruz, Chair
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair

Testimony of the Office of the Auditor on
S.B. NO. 2079, S.D. 1, RELATING TO THE OFFICE OF THE AUDITOR

Hearing: Thursday, February 13, 2020, 11:00 a.m.

The Office of the Auditor takes **no position** on S.B. No. 2079, S.D. 1, and offers the following comments on information available about special, revolving, and trust funds.

Section 23-12, Hawai'i Revised Statutes (HRS), currently requires the Auditor to review each state department's special, revolving, and trust funds every five years and to report to the Legislature before each legislative session. S.B. No. 2079, S.D. 1, would amend (1) Section 23-12, HRS, to require the Auditor to provide "an update, where applicable, to any recommendation made in a [fund review] report transmitted to the legislature . . . within the past five years, that has not been implemented;" and (2) Section 37-47, HRS, to require each department to report on "the status of implementing any recommendation made by the auditor per its most recent report on the department's non-general funds, and if no action has been taken, the details reasons why any recommendation has not been implemented."

Given the proposed amendments to Section 37-47, HRS, we suggest that there is little, if any, additional benefit in requiring us to also provide an update on the departments' implementation efforts. Our review of departments' implementation status will likely be based on the information departments' report to us. We would not independently assess whether we agree with departments' self-reported status of their respective implementation efforts. Weighing our resources, the work we currently are required by statute to perform, and legislative mandates and requests that we receive each session, we suggest that the bill be amended to require only the departments to report on the status of implementing any of our recommendations made in reports about the departments' non-general funds.

Thank you for considering our testimony related to S.B. No. 2079, S.D. 1.