

STAND. COM. REP. NO.

1642

Honolulu, Hawaii

MAR 27 2019

RE: S.R. No. 31
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committees on Government Operations and Higher Education, to which was referred S.R. No. 31 entitled:

"SENATE RESOLUTION REQUESTING THE AUDITOR TO CONDUCT AN AUDIT OF ALL UNIVERSITY OF HAWAII TRAVEL FOR FISCAL YEARS 2014-2019,"

beg leave to report as follows:

The purpose and intent of this measure is to request the Auditor to conduct an audit of all University of Hawaii travel for fiscal years 2014-2019.

Your Committees received testimony in support of this measure from the University of Hawai'i System and one individual. Your Committees received comments on this measure from the Office of the Auditor.

Your Committees find that the responsibility to authorize and approve travel expenses for University of Hawaii employees, students, and others who travel on approved university business is delegated to various executive authorities within the University. Your Committees also find that according to University of Hawaii Executive Policy 8.208, "[a]ll official travel should be prudently planned so that the best interests of the University are served at the most reasonable cost. Any individual traveling on University business is expected to exercise the same economy that a practical person would exercise when traveling on personal business using



personal funds. Individuals shall not incur inappropriate or excessive expenses, or gain financially from the University travel. Excessive costs or unjustified costs are not acceptable and will not be reimbursed."

Your Committees further find that there are concerns that University of Hawaii employees and other affiliated personnel are not following travel policies and procedures and also concerns regarding how delegated authorities review and authorize the purpose of travel as benefitting the University of Hawaii. This measure therefore requests the Auditor to conduct an audit of all University of Hawaii travel for fiscal years 2014-2019.

However, your Committees have heard the testimony from the Office of the Auditor, noting that the University of Hawaii conducted an internal audit of travel policy compliance during fiscal year 2017, which evaluated the frequency and severity of non-compliance in fiscal years 2015-2017. Your Committees therefore conclude that it would be beneficial to have the Auditor review the University of Hawaii's internal audit, rather than requiring the Auditor to conduct a new, separate audit. It is your Committees' intent for the Auditor to assess whether the 2017 internal audit was conducted in conformance with the University of Hawaii Systemwide Policies and Procedures, including University of Hawaii Executive Policy 8.208.

Your Committees have amended this measure by:

- (1) Updating the findings to note that, because the University of Hawaii still relies on a substantial amount of state general funds, the Legislature is justified in determining if the University is following best practices in internal audits and oversight of policies;
- (2) Clarifying that the Auditor is requested to evaluate the 2017 University of Hawaii internal audit of travel policy compliance for fiscal years 2015-2017 and report to the Legislature, rather than requiring the Auditor to conduct an audit of all University of Hawaii travel for fiscal years 2014-2019;



- (3) Specifying the contents of the report to be submitted to the Legislature;
- (4) Updating its title to reflect its amended purpose; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Government Operations and Higher Education that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 31, as amended herein, and recommend that it be referred to your Committee on Ways and Means, in the form attached hereto as S.R. No. 31, S.D. 1.

Respectfully submitted on
behalf of the members of the
Committees on Government
Operations and Higher
Education,

Donna Mercado Kim

DONNA MERCADO KIM, Chair

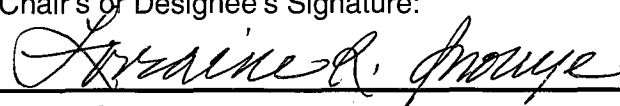
Laura H. Thielen

LAURA H. THIELEN, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Government Operations
GVO

Bill / Resolution No.:* <i>SR 31</i>	Committee Referral: <i>GVO/HRE, WAM</i>	Date: <i>3/21/2019</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
THIELEN, Laura H. (C)	✓			
INOUYE, Lorraine R. (VC)	✓			
BAKER, Rosalyn H.				✓
KANUHA, Dru Mamo	✓			
FEVELLA, Kurt				✓
TOTAL	<i>3</i>			<i>2</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Higher Education
HRE

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Members	Aye	Aye (WR)	Nay	Excused
KIM, Donna Mercado (C)	/			
KIDANI, Michelle N. (VC)	/			
KAHELE, Kaiali'i				/
KEITH-AGARAN, Gilbert S.C.	/			
FEVELLA, Kurt	/			
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>				
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