
A BILL FOR AN ACT

RELATING TO THE OFFICE OF THE AUDITOR.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 PART I

2 SECTION 1. The legislature finds that the office of the
3 auditor was established pursuant to article VII, section 10, of
4 the State Constitution, which authorized the auditor to conduct
5 investigations, as directed, in addition to audits. Section
6 23-5, Hawaii Revised Statutes, authorizes the auditor to
7 "examine and inspect all accounts, books, records, files,
8 papers, and documents and all financial affairs of every
9 department, office, agency, and political subdivision."

10 However, the office of the auditor has not conducted
11 investigations in the past, has not been requested to conduct
12 investigations, and has never been provided funds to enable
13 investigations. Through this part, the legislature establishes
14 an investigative unit in the office of the auditor and
15 appropriates funds for this purpose.

16 The investigative unit of the office of the auditor would
17 perform investigative functions similar to those performed by



1 inspectors general on the federal level and in several states,
2 including conducting investigations involving alleged or
3 suspected government waste, fraud, abuse, nonfeasance, or
4 malfeasance.

5 The purpose of this part is to establish an investigative
6 unit in the office of the auditor to conduct investigations
7 involving government waste, fraud, abuse, nonfeasance, or
8 malfeasance at the request of the legislature or upon the
9 auditor's initiative. This part also expands the powers of the
10 office of the auditor and appropriates funds for the
11 investigative unit.

12 SECTION 2. Section 23-4, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "**§23-4 Duties.** (a) The auditor shall conduct postaudits
15 of the transactions, accounts, programs, and performance of all
16 departments, offices, and agencies of the State and its
17 political subdivisions. The postaudits and all examinations to
18 discover evidence of any unauthorized, illegal, irregular,
19 improper, or unsafe handling or expenditure of state funds or
20 other improper practice of financial administration shall be
21 conducted at least once in every two years after the close of a
22 fiscal year, and at any other time or times during the fiscal



1 year as the auditor deems necessary or as may be required by the
2 legislature for the purpose of certifying to the accuracy of all
3 financial statements issued by the respective accounting
4 officers and of determining the validity of expenditures of
5 state or public funds.

6 (b) The auditor, in conducting postaudits, to the extent
7 practicable and applicable to the audit scope and objectives,
8 shall review and assess the audited agency's rules as defined in
9 section 91-1.

10 (c) The auditor shall establish an investigative unit
11 within the office of the auditor and shall conduct
12 investigations involving alleged or suspected government waste,
13 fraud, abuse, nonfeasance, or malfeasance; provided that
14 investigations may be initiated by:

15 (1) A concurrent resolution adopted by the legislature;

16 (2) A request from a standing committee chair of either
17 the senate or house of representatives, with the
18 concurrence of both the president of the senate and
19 the speaker of the house of representatives;

20 (3) An act of the legislature; or



1 (4) The initiative of the auditor with the concurrence of
2 both the president of the senate and the speaker of
3 the house of representative;
4 provided further that the auditor may consider information from
5 a postaudit pursuant to subsection (a) in initiating an
6 investigation."

7 SECTION 3. There is appropriated out of the general
8 revenues of the State of Hawaii the sum of \$, or so much
9 thereof as may be necessary for fiscal year 2007-2008, and the
10 same sum, or so much thereof as may be necessary for fiscal year
11 2008-2009, for a five-person investigative unit composed of a
12 manager, a senior-level supervisor, two investigators, and a
13 clerk, with appropriate computer and other equipment.

14 The sums appropriated shall be expended by the office of
15 the auditor for the purposes of this part.

16 PART II

17 SECTION 4. Act 8, Special Session Laws of Hawaii 2005,
18 created the Hawaii 2050 sustainability task force to review the
19 Hawaii state plan and the State's planning process and required
20 the office of the auditor to prepare the Hawaii 2050
21 sustainability plan. Act 210, Session Laws of Hawaii 2006,
22 extended the life of the task force after the members



1 recommended that more time was required to perform necessary
2 research and community outreach.

3 In 2006, the task force continued to hold several meetings
4 and launched a successful sustainability kick-off event in
5 August that was attended by several sectors of the community
6 statewide. During the fall, the Hawaii 2050 sustainability
7 kick-off event launched community engagement and public
8 education activities throughout the state.

9 The purpose of this part is to appropriate additional
10 moneys for the development of the Hawaii 2050 sustainability
11 plan.

12 SECTION 5. There is appropriated out of the general
13 revenues of the State of Hawaii the sum of \$, or so
14 much thereof as may be necessary for fiscal year 2007-2008, and
15 the same sum, or so much thereof as may be necessary for fiscal
16 year 2008-2009, to provide additional funding for the
17 development of the Hawaii 2050 sustainability plan.

18 The sums appropriated shall be expended by the office of
19 the auditor for the purposes of this part.

20 PART III

21 SECTION 6. New statutory material is underscored.

22 SECTION 7. This Act shall take effect on July 1, 2007.



Report Title:

Office of the Auditor; Investigative Unit; Hawaii 2050
Sustainability Task Force

Description:

Authorizes the establishment of an investigative unit within the office of the auditor to conduct investigations involving alleged or suspected government waste, fraud, abuse, nonfeasance, or malfeasance at the request of the legislature or upon the auditor's initiative; expands the powers of the office of the auditor; appropriates funds for the investigative unit. Appropriates funds for the development of the Hawaii 2050 sustainability plan. (SB1928 HD1)

