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# 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 and would include 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 representatives.

4       In determining whether to conduct an investigation, the auditor  
5       may consider information based on a postaudits and examinations  
6       conducted pursuant to subsection (a) before requesting authority  
7       from both houses of the legislature to initiate the  
8       investigation."

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

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

18                                   PART II

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



1 210, Session Laws of Hawaii 2006, extended the life of the task  
2 force after the members recommended that more time was required  
3 to perform necessary research and community outreach.

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

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

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

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



1 PART III  
2 SECTION 6. New statutory material is underscored.  
3 SECTION 7. This Act shall take effect on July 1, 2112.

**Report Title:**

Office of the Auditor; Investigative Unit; Hawaii 2050 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. Effective date of July 1, 2112. (SB1928 HD2)

