

JAN 23 2009

A BILL FOR AN ACT

RELATING TO THE OFFICE OF THE AUDITOR.

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

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

9 However, the office of the auditor has not conducted
10 investigations in the past and has not been requested to conduct
11 investigations.

12 An investigative unit in the office of the auditor would
13 perform investigative functions similar to those performed by
14 inspectors general on the federal level and in several states,
15 including conducting investigations involving alleged or
16 suspected government waste, fraud, abuse, nonfeasance, or
17 malfeasance.



1 The purpose of this Act is to establish an investigative
2 unit in the office of the auditor to conduct investigations
3 involving government waste, fraud, abuse, nonfeasance, or
4 malfeasance at the request of the legislature or upon the
5 auditor's initiative.

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

8 "**§23-4 Duties.** (a) The auditor shall conduct postaudits
9 of the transactions, accounts, programs, and performance of all
10 departments, offices, and agencies of the State and its
11 political subdivisions. The postaudits and all examinations to
12 discover evidence of any unauthorized, illegal, irregular,
13 improper, or unsafe handling or expenditure of state funds or
14 other improper practice of financial administration shall be
15 conducted at least once in every two years after the close of a
16 fiscal year, and at any other time or times during the fiscal
17 year as the auditor deems necessary or as may be required by the
18 legislature for the purpose of certifying to the accuracy of all
19 financial statements issued by the respective accounting
20 officers and of determining the validity of expenditures of
21 state or public funds.



1 (b) Each department, office, or agency of the State or
2 political subdivision thereof that is the subject of an audit
3 performed pursuant to this chapter shall provide updates on its
4 progress in implementing the recommendations made by the
5 auditor, at intervals prescribed by the auditor.

6 (c) 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 (d) 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 shall 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 auditor with the concurrence of both the president
 2 of the senate and the speaker of the house of
 3 representatives.

4 In determining whether to conduct an investigation under
 5 paragraph (4), the auditor may consider information based on
 6 postaudits and examinations conducted pursuant to subsection
 7 (a)."

8 SECTION 3. New statutory material is underscored.

9 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:

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Report Title:

Office of the Auditor; Investigative Unit

Description:

Authorizes an investigative unit in the office of the auditor to conduct investigations involving alleged or suspected government waste, fraud, abuse, nonfeasance, or malfeasance.

