



HOUSE COMMITTEE ON TOURISM
The Honorable Richard H.K. Onishi, Chair
The Honorable James Kunane Tokioka, Vice Chair

**H.R. No. 130, Requesting the Auditor to Conduct a Management Audit of the Hawai'i
Tourism Authority**

Hearing: Tuesday, March 21, 2017, 9:00 a.m.

The Office of the Auditor has **no position** regarding H.R. No. 130, which requests the Auditor to conduct a management audit of the Hawai'i Tourism Authority ("HTA"). **However, we note that we will be auditing HTA in 2018.**

Our most recent audit of HTA was conducted in 2013¹, and we issued a report in May 2016, following up on the recommendations that were made in the 2013 audit.² Every five years, we are required to conduct a management and financial audit of HTA's major contracts and agreements.³ Pursuant to that statutory requirement, we will be initiating an audit of HTA in 2018 and expect to submit our audit report to the legislature in December 2018. As part of that audit, we also will continue following up on the recommendations that HTA either had not addressed or had not completely addressed.

We suggest the committee consider our scheduled audit of HTA in 2018 when determining whether to advance the audit requested by H.R. No. 130.

If the committee advances the resolution, we request that the scope of the management audit be more clearly and narrowly defined. The audit as currently described in H.R. No. 130 is broad and likely will require us to narrow the audit's scope, which may result in a report that does not review the specific area or function that the legislature wants us to audit. If there are specific issues related to HTA that the legislature wants us to audit, we strongly recommend that the legislature define in the measure, as specifically as practicable, the scope of the audit request.

Thank you for considering our testimony related to H.R. No. 130.

¹ Report No. 13-09, *Audit of Major Contracts and Agreements of the Hawai'i Tourism Authority* (December 2013). The report may be accessed through our website at <http://files.hawaii.gov/auditor/Reports/2013/13-09.pdf>.

² Report No. 16-05, *New HTA Management Continues to Improve Plans, Contract Oversight, and Reporting: Follow-Up on Recommendations Made in Report No. 13-09, Audit of Major Contracts and Agreements of the Hawai'i Tourism Authority* (May 2016).

³ Section 23-13, Hawai'i Revised Statutes.

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara Barry	Individual	Support	No

Comments: