

DAVID Y. IGE
GOVERNOR



WESLEY K. MACHIDA
DIRECTOR

LAUREL A. JOHNSTON
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 1170, S.D. 1

February 24, 2017
9:35 a.m.
Room 211

RELATING TO GOVERNMENT ACCOUNTABILITY

Senate Bill No. 1170, S.D. 1, requires any report of a study or an audit enacted with a legislative appropriation and conducted by an executive department or agency, including the Hawaii Health Systems Corporation, and by the Legislative Reference Bureau (LRB), Auditor, Judiciary, or Office of Hawaiian Affairs, be submitted to the Clerk of each House, Senate President, Speaker of the House, Chairs of the appropriate subject matter committee of each House, and LRB Library. The bill also requires the Chairs of the appropriate subject matter committees of each House to hold a public hearing or informational briefing on the report within one year of receipt of the report. The bill allows for a one-year extension of the public hearing or a waiver of the hearing requirement by the Senate President or Speaker of the House subject to posting the reasons for the waiver on the Legislature's website and on the public notice boards at the Capitol.

The Department of Budget and Finance notes that Section 23G-5, Hawaii Revised Statutes (HRS), presently requires the LRB to track reports requested by the Legislature. This measure should include a citation to Section 23G-5, HRS, so that both committee chairs and reporting entities have some guidance to determine which reports or studies are subject to the required public hearing or informational briefing.

Thank you for your consideration of our comments.



SENATE COMMITTEE ON WAYS AND MEANS
The Honorable Jill N. Tokuda, Chair
The Honorable Donovan M. Dela Cruz, Vice Chair

S.B. No. 1170, S.D. 1 Relating to Government Accountability

Hearing: Thursday, February 24, 2017, 9:35 a.m.

The Office of the Auditor **supports** S.B. No. 1170, S.D. 1, Relating to Government Accountability, which requires, among other things, the relevant subject matter committee to convene a public hearing or informational briefing on studies and audits enacted with a legislative appropriation within one year of the legislature's receipt of the report.

Every year, we conduct performance and other types of audits of a number of state agencies and their respective programs. Those audits, generally, examine whether state officials are managing government resources and are using their authority in compliance with laws and regulations; whether government programs are achieving their objectives; and whether the agency or program is providing effective, efficient, economical, ethical, and equitable service. We report our findings in audit reports submitted to the legislature, the governor, and the affected state agency. The audit reports, which are public records, are also accessible through our website. Where we find issues with an agency's performance, we report those findings and make recommendations to address those issues. The audited agencies are afforded the opportunity to provide their written response to the audit's findings and recommendations, which is incorporated into and made part of the final report.

Our reports provide transparency and accountability to the legislature, the governor, and more importantly, the public. Requiring a public hearing or informational briefing on the audit reports will increase government transparency and accountability, which we strongly support. We also suggest that a public review of the reports will encourage agencies to more timely address the audit findings and recommendations.

Accordingly, we support S.B. No. 1170, S.D. 1.

Thank you for considering our testimony.

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 23, 2017 4:51 PM
To: WAM Testimony
Cc: kianamar73@gmail.com
Subject: Submitted testimony for SB1170 on Feb 24, 2017 09:35AM

SB1170

Submitted on: 2/23/2017

Testimony for WAM on Feb 24, 2017 09:35AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Diane Marshall	Individual	Support	Yes

Comments: 2017 FORENSIC AUDIT for OHA!

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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