

STAND. COM. REP. NO.

1563

Honolulu, Hawaii

MAR 27 2019

RE: S.C.R. No. 70

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Hawaiian Affairs, to which was referred
S.C.R. No. 70 entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE OFFICE OF
HAWAIIAN AFFAIRS TO CONDUCT AN INDEPENDENT FISCAL AUDIT OF
ALL LIMITED LIABILITY CORPORATIONS CREATED OR CONTROLLED BY
THE OFFICE,"

begs leave to report as follows:

The purpose and intent of this measure is to request the
Office of Hawaiian Affairs to conduct an independent fiscal audit
of all limited liability companies created or controlled by the
Office.

Your Committee received testimony in support of this measure
from the Center for Hawaiian Sovereignty Studies. Your Committee
received comments on this measure from the Office of Hawaiian
Affairs.

Your Committee finds that independent audits are necessary to
assess government performance and to assist agencies reduce waste
and inefficiency in their policy implementation, program
management, and expenditures of public funds. The Office of
Hawaiian Affairs' ongoing fiscal health is vital to its mission of
improving the conditions and well-being of present and future
Native Hawaiians and Hawaiians. The Office of the Auditor's 2018
Audit of the Office of Hawaiian Affairs raised concerns regarding
spending irregularities and possible breaches of the Office's



fiduciary duties, including in regards to the Office's limited liability companies (LLCs).

Your Committee notes that the Office of Hawaiian Affairs has completed and included with its testimony a copy of its June 30, 2017, financial statements and independent auditor's report. Your Committee recognizes the initiative taken by the Office of Hawaiian Affairs and recommends moving this measure along the legislative process for further consideration of any related issues.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 70 and recommends that it be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Hawaiian Affairs,




MAILE S.L. SHIMABUKURO, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Hawaiian Affairs
HWN

Bill / Resolution No.:* <i>SCR 70</i>	Committee Referral: <i>HWN, WAM</i>	Date: <i>3-19-19</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
SHIMABUKURO, Maile S.L. (C)	X			
KAHELE, Kaiali'i (VC)				X
IHARA, Jr., Les	X			
KEOHOKALOLE, Jarrett	X			
FEVELLA, Kurt				X
TOTAL				
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes