

STAND. COM. REP. NO. 1564

Honolulu, Hawaii

MAR 27 2019

RE: S.R. No. 48

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.R. No. 48 entitled:

"SENATE 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 testimony in opposition to this measure from one  
individual. 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

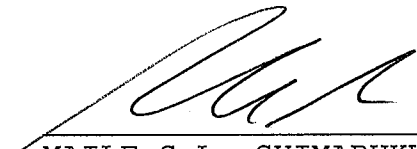


fiduciary duties, including in regards to the Office's limited liability companies (LLCs).

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.R. No. 48 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,



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MAILE S.L. SHIMABUKURO, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Hawaiian Affairs**  
**HWN**

Bill / Resolution No.:* <b>SR 48</b>	Committee Referral: <b>HWN, WAM</b>	Date: <b>3-19-19</b>		
<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
<b>TOTAL</b>	<b>3</b>			<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<b>Distribution:</b> Original                      Yellow                      Pink                      Goldenrod File with Committee Report    Clerk's Office            Drafting Agency           Committee File Copy				

\*Only one measure per Record of Votes