



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Higher Education
March 21, 2019 at 3:00 p.m.

by
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SCR 154 / SR 120 – REQUESTING THE UNIVERSITY OF HAWAII OFFICE OF INTERNAL AUDIT TO CONDUCT AN AUDIT OF VARIOUS PROGRAMS AT THE UNIVERSITY OF HAWAII WEST OAHU THAT RECEIVE EXTRAMURAL FUNDING, INCLUDING TITLE III GRANT FUNDING

Chair Kim, Vice Chair Kidani, and members of the Committee:

Thank you for the opportunity to present testimony today. The University of Hawai'i (UH) is **supportive** of these resolutions and provides the following comments to assist the framing of any audit scope.

UH expends over \$750,000 annually in federal awards, and because of this, UH is already required to have an annual independent financial audit under the (federal) Office of Management and Budget's Uniform Guidance regulations, commonly referred to as a "Single Audit." The Single Audit is an OMB Circular A-133 audit of an organization's financial statement and is a federal awards' audit of any non-federal entity that expends more than \$750,000 in federal funds in one year. The UH easily fits this criteria.

The University posts its financial audit and its single audits online and they are inventoried on the UH's website. Accuity, LLP is the current audit contractor to perform both the University's consolidated financial statements as well as the University's Single Audit. The Single Audit covers all federal funds received and managed by the University, including Title III grant funds.

We have some revisions for the Committee to consider. On page 1 line 14, the amount allocated for the PIKO Project was \$9,794,142 rather than \$10,000,000 as currently stated in the resolution.

On page 2, line 8, the amount granted to the University of Hawai'i at West O'ahu (UHWO) was \$4,570,389 rather than the \$4,200,000 currently stated in the resolution.

We also would like to point that on pages 3 and 4, several of the programs listed are not currently run solely through UHWO. The 'A'ali'i Scholars Program and 'Ike Ola is a

partnership program funded primarily through Kamehameha Schools and UHWO was invited to apply. The UH Hilo and Hawai'i Community College cooperative arrangement development grant and Ho'okahua are run by UH Hilo. Additionally, the Mobile High-Touch, High Tech Learning Environment Program and Kūkulu ma ke Kahua program terminated in 2014 and are no longer active. We therefore respectfully request that references to those programs be removed from the resolution.

Lastly, this resolution requests the UH Internal Auditor to conduct this audit. The UH Internal Auditor is independent of the UH administration operating under the authority of the Board of Regents. Audit projects are scheduled via an audit plan and approved by the Board of Regents.

I view audits to be beneficial to help evaluate and validate processes, and where necessary, audits can provide value in identifying areas for improvement or best practices.

Thank you for this opportunity to testify.

SCR-154

Submitted on: 3/20/2019 11:17:58 AM

Testimony for HRE on 3/21/2019 3:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Marriah Tapia	Individual	Oppose	No

Comments:

SCR-154

Submitted on: 3/20/2019 11:29:36 AM

Testimony for HRE on 3/21/2019 3:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Micah Yogi	Individual	Oppose	No

Comments:

SCR-154

Submitted on: 3/20/2019 11:31:53 AM

Testimony for HRE on 3/21/2019 3:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
KaiLee	Individual	Oppose	No

Comments:

SCR-154

Submitted on: 3/20/2019 11:23:10 AM

Testimony for HRE on 3/21/2019 3:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Miku Hardman	Individual	Oppose	No

Comments: