



SENATE COMMITTEE ON GOVERNMENT OPERATIONS

The Honorable Laura H. Thielen, Chair
The Honorable Lorraine R. Inouye, Vice Chair

SENATE COMMITTEE ON HIGHER EDUCATION

The Honorable Donna Mercado Kim, Chair
The Honorable Michelle N. Kidani, Vice Chair

**S.C.R. NO. 44, REQUESTING THE AUDITOR TO CONDUCT AN AUDIT OF ALL
UNIVERSITY OF HAWAI'I TRAVEL FOR FISCAL YEARS 2014-2019**

**S.R. NO. 31, REQUESTING THE AUDITOR TO CONDUCT AN AUDIT OF ALL
UNIVERSITY OF HAWAI'I TRAVEL FOR FISCAL YEARS 2014-2019**

Hearing: Thursday, March 21, 2019, 2:45 p.m.

The Office of the Auditor has **no position** regarding S.C.R. No. 44 and S.R. No. 31, which require we audit “all University of Hawai‘i travel for fiscal years 2014-2019.” **However, we offer the following comments.**

S.C.R. No. 44 and S.R. No. 31 make mention of two concerns: (1) that University of Hawai‘i employees and other affiliated persons are not following travel policies and procedures; and (2) concerns as to how delegated authorities review and authorize the purpose of travel as benefitting the University of Hawai‘i.

We note that the University of Hawai‘i conducted an internal audit of travel policy compliance in fiscal year 2017. This audit evaluated the frequency and severity of non-compliance in fiscal years 2015-2017, and the impact on University of Hawai‘i operations and financial results. Findings and recommendations from the September 2017 “Review of Travel Policy Compliance” were to be addressed in fiscal year 2018, with an evaluation of corrective action status to follow in fiscal year 2019. Because the current plan calls for the University of Hawai‘i to evaluate corrective action this year, we suggest that the requested audit is premature. Any corrective actions taken would help to evaluate the need for any future audit and its possible scope.

Thank you for considering our testimony related to S.C.R No. 44 and S.R. No. 31.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committees on Government Operations
and Higher Education
March 21, 2019 at 2:45 p.m.

by
Kalbert K. Young
Vice President for Budget and Finance/Chief Financial Officer
University of Hawai'i System

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SCR 44 / SR 31 – REQUESTING THE AUDITOR TO CONDUCT AN AUDIT OF ALL
UNIVERSITY OF HAWAII TRAVEL FOR FISCAL YEARS 2014-2019

Chairs Thielen and Kim, Vice Chairs Inouye and Kidani, and members of the
Committees:

Thank you for the opportunity to present testimony today. The University of Hawai'i is **supportive** of this resolution and appreciates the opportunity to share our progress in managing our travel expenses in a reasonable and appropriate manner.

Travel expenses can be a significant portion of an agency's operating budget. The University has implemented enhanced policies at the Regent Policy level and administration level over the past years to modernize management over operational areas – including travel. For example, the University of Hawai'i leads any other State agencies in implementation of the University's online travel system (eTravel). I believe continued ongoing refinements to capabilities within the system and enhancements to processes, procedures, and policies have also resulted in improvements to areas of compliance and management.

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.