



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
Senate Committee on Ways and Means  
April 15, 2019 at 10:50 a.m.

by  
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University of Hawai'i System

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 Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee:

Thank you for the opportunity to present testimony today. The University of Hawai'i (UH) is **supportive** of this resolution 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. UH easily fits these criteria.

The University posts its financial audit and its single audits online and they are inventories on 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 4, 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 page 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 University of Hawai'i at Hilo and Hawai'i Community College cooperative arrange 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 termed out 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 UH administration and operates 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.

**SR-120**

Submitted on: 4/14/2019 6:21:59 PM

Testimony for WAM on 4/15/2019 10:50:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Dylan P. Armstrong	Testifying for Oahu County Committee of the Oahu County Democrats	Support	No

Comments: