

Honolulu, Hawaii

FEB 10 2020

RE: S.B. No. 2079

S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred S.B. No. 2079 entitled:

"A BILL FOR AN ACT RELATING TO THE OFFICE OF THE AUDITOR,"

begs leave to report as follows:

The purpose and intent of this measure is to require the Office of the Auditor to include in its annual report on special, revolving, and trust funds, an update on fund recommendations made within the past five years that have not been implemented.

Your Committee received comments on this measure from the Office of the Auditor.

Your Committee finds that existing state law requires the Office of the Auditor to review each state department's special, revolving, and trust funds every five years and to report to the Legislature prior to the convening of each legislative session. Departments are also required to annually submit a report to the Legislature about the non-general fund accounts they hold. This measure would require the Auditor to include in its annual reports, an update on fund recommendations made within the past five years that have not been implemented.

Your Committee notes that it would be beneficial to require departments, in their annual reports to the Legislature concerning their non-general fund accounts, to include whether they have



implemented any recommendations provided by the Office of the Auditor, and if they have not implemented those recommendations, to provide the reasons why. This would help consolidate important information and promote the efficient use of resources.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language that would also require the departments, in their annual reports to the Legislature concerning their non-general fund accounts, to include the status of implementing recommendations made by the Office of the Auditor, and if no action has been taken, to detail the reasons why any recommendation has not been implemented; and
- (2) Making conforming amendments.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2079, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2079, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Government
Operations,



LAURA H. THIELEN, Chair



