



SENATE COMMITTEE ON GOVERNMENT OPERATIONS

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

Testimony of the Office of the Auditor on
S.B. NO. 2079, RELATING TO THE OFFICE OF THE AUDITOR

Hearing: Tuesday, January 28, 2020, 2:45 p.m.

The Office of the Auditor takes **no position** on S.B. No. 2079 and offers the following comments on information available about special, revolving, and trust funds.

Section 23-12, Hawai'i Revised Statutes (HRS), currently requires the Auditor to review each state department's special, revolving, and trust funds every five years and to report to the Legislature before each legislative session. S.B. No. 2079 would amend Section 23-12, HRS, to require the Auditor to provide "an update, where applicable, to any recommendation made in a [fund review] report transmitted to the legislature . . . within the past five years, that has not been implemented."

Departments are currently required to annually submit a report to the Legislature about the non-general fund accounts they hold. The report is required by Section 37-47, HRS, and specifies information including the intended purpose of the fund, the current program activities supported by the fund, and current financial data be included. The Department of Budget and Finance additionally compiles a report of all non-general fund accounts and submits it to the Legislature prior to the start of each legislative session.

We would suggest that any report on the status of any recommendations made with respect to a particular fund should be included in these same reports. Amending Section 37-47, rather than Section 23-12, would consolidate this important information and promote efficient use of resources.

We are available to work with the bill's proponents on required language.

Thank you for considering our testimony related to S.B. No. 2079.