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**STATE OF HAWAII**  
**DEPARTMENT OF TRANSPORTATION**  
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HONOLULU, HAWAII 96813-5097

Wednesday, March 23, 2022  
11:05 AM  
State Capitol, Teleconference

**H.C.R. 42 / H.R. 37**  
**REQUESTING THE AUDITOR TO CONDUCT AN AUDIT OF HARBOR INSPECTION**  
**PROCEDURES OF STATE DEPARTMENTS AND FEDERAL AGENCIES FOR**  
**SHIPPING CONTAINERS TO PREVENT THE IMPORTATION OF ILLEGAL**  
**FIREWORKS INTO THE STATE.**

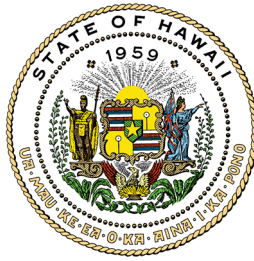
House Committee on Transportation

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The Department of Transportation (DOT) provides **comments** on H.C.R. 42/ H.R. 37, requesting the auditor to conduct an audit of harbor inspection procedures of state departments and federal agencies for shipping containers to prevent the importation of illegal fireworks into the state.

The inspection of shipping containers falls under the jurisdiction of the federal government, specifically the United States (U.S.) Department of Homeland Security. As part of the U.S. Department of Homeland Security, the U.S. Coast Guard maintains jurisdiction to inspect domestic shipping containers and the U.S. Customs and Border Protection maintains jurisdiction to inspect foreign shipping containers.

Thank you for the opportunity to provide testimony.



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HOUSE COMMITTEE ON TRANSPORTATION  
The Honorable Henry J.C. Aquino, Chair  
The Honorable Greggor Ilagan, Vice Chair

**H.C.R. NO. 42 REQUESTING THE AUDITOR TO CONDUCT AN AUDIT OF HARBOR  
INSPECTION PROCEDURES OF STATE DEPARTMENTS AND FEDERAL  
AGENCIES FOR SHIPPING CONTAINERS TO PREVENT THE IMPORTATION OF  
ILLEGAL FIREWORKS INTO THE STATE**

**H.R. NO. 37 REQUESTING THE AUDITOR TO CONDUCT AN AUDIT OF HARBOR  
INSPECTION PROCEDURES OF STATE DEPARTMENTS AND FEDERAL  
AGENCIES FOR SHIPPING CONTAINERS TO PREVENT THE IMPORTATION OF  
ILLEGAL FIREWORKS INTO THE STATE**

Hearing: Wednesday, March 23, 2022, 11:05 a.m.

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The Office of the Auditor appreciates the opportunity to testify on H.C.R. No. 42 and H.R. No. 37, requesting the auditor to conduct an audit of harbor inspection procedures of state departments and federal agencies for shipping containers to prevent the importation of illegal fireworks into the State, and offers the following comments.

We have concerns about the resolutions' requirement that we conduct an audit of the harbor inspection procedures of federal agencies. Our office is authorized to conduct post-audits of the transactions, accounts, programs and performance of all departments, offices and agencies of the State. Haw. Const. art. VII, sec. 10. Similarly, we have the statutory authority to inspect all accounts, books, records, files, papers, documents, and all financial affairs of every department, office, agency, and political subdivision of the State. Section 23-5, HRS.

However, we do not have the same constitutional or statutory authority as it relates to federal agencies or programs. Without this authority, we cannot conduct a performance audit in a manner consistent with generally accepted government auditing standards. In other words, our office would be unable to determine the scope of the audit, gather evidence, or compel the production of documents or witnesses without the consent of the federal agency.

For these reasons, we suggest that the Legislature consider removing the requirement that our office audit the harbor inspection procedures of federal agencies.

Thank you for considering our testimony related to H.C.R. No. 42 and H.R. No. 37.