



HOUSE COMMITTEE ON HEALTH, HUMAN SERVICES, & HOMELESSNESS
The Honorable Ryan I. Yamane, Chair
The Honorable Adrian K. Tam, Vice Chair

**H.C.R. NO. 38 REQUESTING THE AUDITOR TO CONDUCT A
PERFORMANCE AUDIT OF THE DEPARTMENT OF HEALTH,
HAWAII STATE HOSPITAL, AND HAWAII INFORMATION PORTAL**

**H.R. NO. 33 REQUESTING THE AUDITOR TO CONDUCT A
PERFORMANCE AUDIT OF THE DEPARTMENT OF HEALTH,
HAWAII STATE HOSPITAL, AND HAWAII INFORMATION PORTAL**

Hearing: Tuesday, March 29, 2022, 10:00 a.m.

The Office of the Auditor appreciates the opportunity to testify on H.C.R. No. 38 and H.R. No. 33, requesting the auditor to conduct a performance audit of the Hawaii Information Portal, including an analysis of the Hawaii Information Portal and an assessment of relevant Department of Health and Hawaii State Hospital procedures relating to the Hawaii Information Portal. We offer the following comments.

First, we strongly suggest that the committee identify the specific programs or activities that it wants assessed to ensure that our report covers the issues that the Legislature is most interested in having us examine. We conduct performance audits in accordance with generally accepted government auditing standards. Those standards require us to properly plan, document, and carry out work necessary to address “audit objectives” that we identify during the planning phase of our audit work. Without more specific direction we may develop audit objectives that may be different from those envisioned by the Legislature, and for that reason, the report may offer less value to the Legislature.

We would also note that the HIP system modernization project was only recently completed in January 2019 and that an audit this soon may be premature. We regularly conduct follow-up reviews of our audit recommendations from prior years and have found that it often can take time for an agency to plan for new software, consult with the attorney general or Department of Human Resources Development on changes in policy, and to train employees on improvements or upgrades. If a performance audit is conducted prematurely, we risk examining a program or process that has not yet been implemented or is only partially implemented during our fieldwork.

We are additionally concerned we do not have the capacity to perform, internally, the audits and other types of assessments that we currently are statutorily mandated to do, the audits and other studies that the Legislature requests each legislative session, and the audit required by the resolutions.

Thank you for considering our testimony related to H.C.R. No. 38 and H.R. No. 33.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirty-First Legislature, State of Hawaii
House of Representatives
Committee on Health, Human Services, and Homelessness
Testimony by
Hawaii Government Employees Association

March 29, 2022

H.C.R. 38/H.R. 33– REQUESTING THE AUDITOR TO CONDUCT A
PERFORMANCE AUDIT OF THE DEPARTMENT OF HEALTH,
HAWAII STATE HOSPITAL, AND HAWAII INFORMATION PORTAL

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of H.C.R. 38 and H.R. 33 which requests that the Auditor conduct a performance audit of the Hawaii Information Portal (HIP), Department of Health, and the Hawaii State Hospital.

Since the transition to the new HIP payroll system, we have received a plethora of complaints from our members that run the gamut of underpayments, overpayments and subsequent inaccurate corrections over the course of several pay periods to recapture then repay wages, missing and incomplete hourly differential payments, and erroneous vacation and sick leave balances. As these issues arise and compound paycheck over paycheck, employees must manually calculate the discrepancies and file numerous claims to fix their payment issues. This disproportionately shifts the responsibility of recordkeeping upon the employee to constantly check and recalculate their wages and accumulated leaves, which defeats entirely the purpose of having an expensive electronic payroll system. Some miscalculations span several pay periods and remain unresolved for months. In the most egregious cases, some employees work the full pay period with hourly differentials yet are only paid the differentials and not their actual salary, or an employee has accumulated hundreds of hours of leave, only to see it all vanish in a moment.

This is absolutely unacceptable and quite frankly, our members are better off returning to calculating their timesheets individually by paper. Swift action must be taken to fix the HIP system and immediately resolve all outstanding payment issues.

Thank you for the opportunity to testify in strong support of H.C.R. 38 and H.R. 33.

Respectfully submitted,


Randy Perreira
Executive Director