

April 24, 2023

VIA EMAIL

The Honorable Ronald D. Kouchi
Senate President
415 South Beretania Street
Hawaii State Capitol, Room 409
Honolulu, Hawaii 96813

VIA EMAIL

The Honorable Scott K. Saiki
Speaker, House of Representatives
415 South Beretania Street
Hawaii State Capitol, Room 431
Honolulu, Hawaii 96813

RE: Financial and Compliance Audit of the Department of the Attorney General

Dear President Kouchi and Speaker Saiki:

The audit report on the financial statements and compliance of the Department of the Attorney General for the fiscal year ended June 30, 2021, was issued on March 31, 2023. The Office of the Auditor retained KPMG LLP to perform the financial and compliance audit. For your information, we are attaching a copy of the two-page Auditor's Summary of the financial and compliance audit report.

You may view the financial and compliance audit report and Auditor's Summary on our website at:

https://files.hawaii.gov/auditor/Reports/2021_Audit/AG2021.pdf; and

https://files.hawaii.gov/auditor/Reports/2021_Audit/AG_Summary_2021.pdf.

If you have any questions about the report, please contact me.

Very truly yours,

Leslie H. Kondo
State Auditor

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Attachment

ec/attach (Auditor's Summary only): Members of the Senate

Members of the House of Representatives
Carol Taniguchi, Senate Chief Clerk
Brian Takeshita, House Chief Clerk

Auditor's Summary

Financial and Compliance Audit of the Department of the Attorney General

Financial Statements, Fiscal Year Ended June 30, 2021



PHOTO: OFFICE OF THE AUDITOR

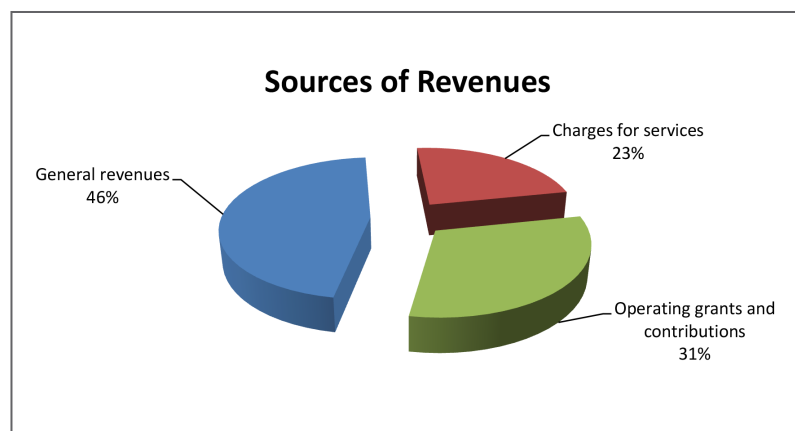
THE PRIMARY PURPOSE of the audit was to form an opinion on the fairness of the presentation of the financial statements for the Department of the Attorney General, as of and for the fiscal year ended June 30, 2021, and to comply with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), which established audit requirements for state and local governmental units that receive federal awards. The audit was conducted by KPMG LLP.

About the Department

The Department of the Attorney General (AG) provides legal services to the executive, legislative, and judicial branches of Hawai'i State government, including furnishing formal and informal legal opinions to the Governor, Legislature, and heads of Hawai'i State departments and offices and approving documents relating to the acquisition of lands and interests by the State. AG also maintains criminal justice information, conducts investigations, operates crime prevention programs, and represents the State of Hawai'i in legal proceedings. AG's Child Support Enforcement Agency provides assistance to children by locating parents, establishing paternity and support obligations, and enforcing those obligations.

Financial Highlights

FOR THE FISCAL YEAR ended June 30, 2021, AG reported total revenues of \$106.3 million and total expenses of \$106.7 million, resulting in a decrease in net position of approximately \$453,000. Revenues include general revenues of \$48.1 million, primarily state appropriations; program revenues consisting of charges for services of \$25 million; and operating grants and contributions of \$33.2 million.





Expenses of \$106.7 million consisted of (1) \$63.6 million for general administrative and legal services; (2) \$20.5 million for child support enforcement; (3) \$16 million for crime prevention and justice assistance; and (4) \$6.6 million for criminal justice data center activities.

Auditors' Opinion

AG RECEIVED AN UNMODIFIED OPINION that its financial statements were presented fairly, in all material respects, in accordance with generally accepted accounting principles. AG also received an unmodified opinion on its compliance with major federal programs in accordance with the *Uniform Guidance*.

Findings

THERE WAS ONE MATERIAL WEAKNESS in internal control over financial reporting that was required to be reported under *Government Auditing Standards*. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. The material weakness is described on page 56 of the report.

THERE WERE NO FINDINGS that were considered material weaknesses in internal control over compliance in accordance with the *Uniform Guidance*.



Link to the complete report:

Financial and Compliance Audit

https://files.hawaii.gov/auditor/Reports/2021_Audit/AG2021.pdf