



SENATE COMMITTEE ON GOVERNMENT OPERATIONS
The Honorable Angus L.K. McKelvey, Chair
The Honorable Mike Gabbard, Vice Chair

S.B. NO. 2403 RELATING TO GOVERNMENT ACCOUNTABILITY.

Hearing: Tuesday, February 6, 2024, 3:10 p.m.

The Office of the Auditor strongly supports S.B. No. 2403, Section 2, specifically, the procedures for consideration of performance audit reports issued by the Office of the Auditor as set forth on page 4 at lines 8-20. Section 2 of the bill will require a public hearing or informational briefing within one year after issuance of the report for each performance audit issued by the Office of the Auditor.

Our work primarily involves conducting performance audits, and the majority of that work is at the direction or request of the Legislature. Certain audits are performed on a recurring cycle, including the Office of Hawaiian Affairs at least every four years (Section 10-14.55, Hawai'i Revised Statutes) and the Hawai'i Tourism Authority at least every five years (Section 23-13, Hawai'i Revised Statutes).

Performance audits provide transparency into an agency's operations as well as an independent, objective, and unbiased assessment as to whether the agency is performing its work effectively, efficiently, and in accordance with its statutory requirements. The audit findings allow the Legislature to understand how a program that it created and funds is performing and to hold the agency accountable; the audit recommendations provide suggestions to the agency about how to address the findings and improve its performance. Performance audits also provide the public with information about the agency's work, most often funded through public funds.

We strongly agree that a public hearing or informational briefing is an invaluable means to inform the subject matter committees, the audited agencies, and the public about our performance audit findings.

Thank you for considering our testimony related to S.B. No. 2403.

SB-2403

Submitted on: 2/1/2024 5:53:31 PM

Testimony for GVO on 2/6/2024 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Justin Silva	Individual	Support	Written Testimony Only

Comments:

Requires any report of a study or an audit enacted with a legislative appropriation or adopted by concurrent resolution to be submitted to the President of the Senate, Speaker of the House of Representatives, the chairs of the appropriate subject matter committee of each house, and the Legislative Reference Bureau library. Requires a public hearing or informational briefing within one year of receipt of the report, except under certain circumstances. Requires a public hearing or informational briefing within one year of the publication of the performance audit reports. Exempts financial and other regularly occurring audits. Requires state departments and agencies to submit a report to the Legislature containing certain information regarding new, funded state programs within one year of the date on which the program's enabling Act became law

SB-2403

Submitted on: 2/6/2024 1:23:29 PM

Testimony for GVO on 2/6/2024 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Keola Kahikina	Individual	Support	Written Testimony Only

Comments:

I am in support of SB2403 to provide government accountability and transparency when a study or an audit is performed. A hearing/briefing should be convened when state funds are used for these reports. This would show that the money spent on these studies serve a purpose. There is no way for the public to know if these expensive studies are being used for the purpose they are conducted. If the legislature feels the money spent on the studies are warranted, then there should be a way that the public would be made aware of the results. There are so many reports submitted by the legislature, you can't expect the public to be aware of them and the final results if some sort of hearing or public briefing is not done.

Thank you,

John Dower