

ACT 36

H.B. NO. 2908

A Bill for an Act Relating to Audit Recommendations.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Chapter 23, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§23- Audit recommendations; annual report.** (a) Not later than twenty days prior to the regular session of 2009, and each regular session thereafter, the auditor shall submit a report to the legislature of each audit recommendation the auditor has made that is more than one year old and that has not been implemented by the audited agency. The report shall clearly identify:

- (1) The state agency audited;
- (2) The audit title and number that contained the recommendation;
- (3) A brief description of the recommendation;
- (4) The date that the audit was issued; and
- (5) The most recent explanation provided by the agency to the auditor on the status of the recommendation.

(b) Any agency that is notified by the auditor that it has not implemented a recommendation made pursuant to this chapter more than one year prior shall submit a written report to the auditor, the president of the senate, and the speaker of the house of representatives not later than thirty days after the notification explain-

ing why the audit recommendation was not implemented and the estimated date of implementation of the recommendation.”

SECTION 2. Section 23-4, Hawaii Revised Statutes, is amended to read as follows:

**“§23-4 Duties.** (a) The auditor shall conduct postaudits of the transactions, accounts, programs, and performance of all departments, offices, and agencies of the State and its political subdivisions. The postaudits and all examinations to discover evidence of any unauthorized, illegal, irregular, improper, or unsafe handling or expenditure of state funds or other improper practice of financial administration shall be conducted at least once in every two years after the close of a fiscal year, and at any other time or times during the fiscal year as the auditor deems necessary or as may be required by the legislature for the purpose of certifying to the accuracy of all financial statements issued by the respective accounting officers and of determining the validity of expenditures of state or public funds.

(b) Each department, office, or agency of the State or political subdivision thereof that is the subject of an audit performed pursuant to this chapter shall provide updates on its progress in implementing the recommendations made by the auditor, at intervals prescribed by the auditor.

~~[(b)]~~ (c) The auditor, in conducting postaudits, to the extent practicable and applicable to the audit scope and objectives, shall review and assess the audited agency’s rules as defined in section 91-1.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.<sup>1</sup>

SECTION 4. This Act shall take effect upon its approval.

(Became law on April 24, 2008, without the Governor’s signature, pursuant to Art. III, §16, State Constitution.)

**Note**

1. Edited pursuant to HRS §23G-16.5.