

Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Offices of the Governor and Lieutenant Governor

A Report to the Governor
and the Legislature of
the State of Hawai'i

Report No. 16-09
November 2016



OFFICE OF THE AUDITOR
STATE OF HAWAII

Foreword

This is a report of our review of the trust funds of the Office of the Governor. The Office of the Lieutenant Governor did not have any non-general funds during our review period.

Section 23-12, Hawai‘i Revised Statutes (HRS), requires the Auditor to review all existing special, revolving, and trust funds, once every five years. Although not mandated by statute, we included trust accounts as part of our review. This is our fifth review of the revolving funds, trust funds, and trust accounts of the Office of the Governor. It is our first review of its special funds since section 23-12, HRS was amended by Act 130, Session Laws of Hawai‘i 2013, to include reviews of special funds.

We wish to express our appreciation for the cooperation and assistance extended to us by the officials and staff of the Office of the Governor.

Leslie H. Kondo
State Auditor



OFFICE OF THE AUDITOR

STATE OF HAWAI'I

Constitutional Mandate

Pursuant to Article VII, Section 10 of the Hawai'i State Constitution, the Office of the Auditor shall conduct post-audits of the transactions, accounts, programs and performance of all departments, offices and agencies of the State and its political subdivisions.

The Auditor's position was established to help eliminate waste and inefficiency in government, provide the Legislature with a check against the powers of the executive branch, and ensure that public funds are expended according to legislative intent.

Hawai'i Revised Statutes, Chapter 23, gives the Auditor broad powers to examine all books, records, files, papers and documents, and financial affairs of every agency. The Auditor also has the authority to summon people to produce records and answer questions under oath.

Our Mission

To improve government through independent and objective analyses.

We provide independent, objective and meaningful answers to questions about government performance. Our aim is to hold agencies accountable for their policy implementation, program management and expenditure of public funds.

Our Work

We conduct performance audits (also called management or operations audits), which examine the efficiency and effectiveness of government programs or agencies, as well as financial audits, which attest to the fairness of financial statements of the State and its agencies.

Additionally, we perform procurement audits, sunrise analyses and sunset evaluations of proposed regulatory programs, analyses of proposals to mandate health insurance benefits, analyses of proposed special and revolving funds, analyses of existing special, revolving and trust funds, and special studies requested by the Legislature.

We report our findings and recommendations to the Governor and the Legislature to help them make informed decisions.

For more information on the Office of the Auditor, visit our website:
<http://auditor.hawaii.gov>

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Auditor's Summary

Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Offices of the Governor and Lieutenant Governor

Report No. 16-09

Two trust funds no longer serve their original purposes

OUR REVIEW OF EIGHT TRUST FUNDS of the Office of the Governor found two trust funds no longer serve their original purposes and should be closed. The Office of the Lieutenant Governor did not have any non-general funds during our period of review.

Section 23-12, Hawai'i Revised Statutes, requires the Auditor to review all existing special, revolving, and trust funds every five years. Reviews are scheduled so that each department's funds are reviewed once every five years. Although not mandated by statute, we included trust accounts as part of our review. This is our fifth review of the revolving funds, trust funds and trust accounts of the Office of the Governor. It is our first review of the special funds of the Office of the Governor.

We used criteria developed by the Legislature and by our office based on public finance and accounting literature. For each fund, we present a five-year financial summary, the purpose of the fund, and conclusions about its use. We did not audit the financial data which is provided for informational purposes. We do not present conclusions about the effectiveness of the program or their management, or whether the program should be continued.

Reporting shortfall

WE ALSO NOTED that the Office of the Governor did not file statutorily required reports for non-general funds and for administratively created funds. Accurate and complete reporting, as well as timely closing of funds, will greatly improve the Legislature's oversight and control of these funds and provide increased budgetary flexibility.

Agency response

WE TRANSMITTED A DRAFT of this review to the Office of the Governor. The Office of the Governor generally agreed with our review and will take appropriate action to ensure compliance with reporting requirements.

For the complete report visit our website at:
<http://files.hawaii.gov/auditor/Reports/2016/16-09.pdf>



FUND TYPES

SPECIAL FUNDS

are used to account for revenues earmarked for particular purposes and from which expenditures are made for those purposes.

REVOLVING FUNDS

such as loan funds, are often established with an appropriation of seed money from the general fund, and must demonstrate the capacity to be self-sustaining.

TRUST FUNDS

such as a pension fund, invoke the State's fiduciary responsibility to care for and use the assets held for benefit for those with a vested interest in the assets.

TRUST ACCOUNTS

are typically separate holding or clearing accounts and are often used as accounting devices for crediting or charging state agencies or projects for payroll and other costs.

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Chapter 1

Introduction

This review encompasses the special funds, revolving funds, trust funds, and trust accounts of the Office of the Governor (GOV) pursuant to section 23-12, Hawai‘i Revised Statutes (HRS), *Review of special, revolving, and trust funds*, and the Office of the Lieutenant Governor (LTG). Section 23-12, HRS, requires the Auditor to review all special, revolving, and trust funds administered by each State department and GOV every five years.

This is our fifth review of revolving funds, trust funds, and trust accounts of GOV and our fourth review of the funds and accounts administered by LTG. Additionally, this is our first review of special funds held by GOV and LTG since Act 130, Session Laws of Hawai‘i (SLH) 2013, amended section 23-12, HRS, to also require reviews of agencies’ special funds.

In this report, we reviewed a total of eight (8) trust funds of GOV. LTG did not have any non-general funds during our review period.

Background

Through Act 240, SLH 1990, the Legislature required the Auditor to review all special and revolving funds and to recommend whether they be continued, modified, or repealed. The Legislature was concerned with the proliferation of these types of funds because moneys deposited into and spent from such funds are not subject to the same level of legislative scrutiny as moneys deposited into and spent from the State’s general fund.

Regular reviews of revolving and trust funds were later required by Act 280, SLH 1993. Codified as section 23-12, HRS, the act expanded the scope of Act 240, SLH 1990, by requiring the Auditor to review all revolving and trust funds administered by the State once every five years. The law was again broadened in 2013 through Act 130, SLH 2013, to include a review of all special funds once every five years and to add the departments of Defense and Transportation to the list of agencies reviewed.

Section 23-12, HRS, now specifies that reviews must include:

1. An evaluation of the original intent and purpose of each fund, both as expressed by the Legislature and as understood by the expending agency;
2. The degree to which each fund achieves its stated and claimed purposes;

3. An evaluation of the fund's performance standards, as established by the agency;
4. A summary statement reflecting total fund transactions in the preceding five fiscal years, including the fund balance at the beginning of each fiscal year, total deposits and withdrawals, amount of interest earned, total expenditures made from the fund, and the ending fund balance for each fiscal year; and
5. Although not mandated by section 23-12, HRS, we have included trust accounts as part of our review. Trust accounts, like special revolving, and trust funds, are subject to minimal legislative scrutiny.

Description of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts

Special funds

Section 37-62, HRS, defines a special fund as one that is “dedicated or set aside by law for a specified object or purpose, but excluding revolving funds and trust funds.” According to the State’s *Accounting Manual*, special funds are funds used to account for revenues earmarked for particular purposes and from which expenditures are made for those purposes. Examples of special funds include the Captive Insurance Administrative Fund, which is funded by fees paid by insurers that support the State’s Captive Insurance Program, and the Wireless Enhanced 911 Fund. The Wireless Enhanced 911 Fund receives surcharges from wireless phone users for the upgrade of the 911 emergency system.

Revolving funds

Section 37-62, HRS, defines a revolving fund as one “from which is paid the cost of goods and services rendered or furnished to or by a State agency and which is replenished through charges made for the goods or services or through transfers from other accounts or funds.” Activities commonly financed through revolving funds include loan programs, which are initially established by general fund seed moneys and are then replenished through the repayment of loans. An example of a revolving fund is the State Motor Pool Revolving Fund, which is used to purchase and maintain the State’s fleet of motor vehicles and is replenished by charges to State agencies for the use of the vehicles.

Trust funds

Section 37-62, HRS, defines a trust fund as one in which “designated persons or classes of persons have a vested beneficial interest or equitable ownership, or which was created or established by a gift, grant, contribution, devise or bequest that limits the use of the fund to designated objects or purposes.” Trust funds invoke a fiduciary responsibility of state government to care for and use only for those designated to benefit from the funds. A pension fund is an example of a trust fund. Contributions and payments are to be held for the beneficiaries of the pension fund. Another example is tenants’ security deposits, which are held in trust for the future benefit of tenants and landlords. Until forfeited or returned, deposits are the property of the tenants and should be accounted for accordingly.

Trust accounts

The Department of Accounting and General Services (DAGS) defines a trust account as a separate holding or clearing account for State agencies. Trust accounts also serve as accounting devices to credit or charge agencies or projects for payroll or other costs.

**Criteria for
Reviewing Special
Funds, Revolving
Funds, Trust
Funds, and Trust
Accounts*****Special and revolving
fund criteria***

In 2002, the Legislature set the requirements for establishing and continuing special and revolving funds. Sections 37-52.3 and 37-52.4, HRS, now state that special and revolving funds may be established only by statute. The criteria used to review special and revolving funds are the extent to which each fund:

- Serves a need, as demonstrated by the purpose of the program to be supported by the fund; the scope of the program, including financial information on fees to be charged, sources of projected revenue, and costs; and an explanation of why the program cannot be implemented successfully under the general fund appropriation process;
- Reflects a clear nexus between the benefits sought and charges made upon the program users or beneficiaries, or a clear link between the program and the sources of revenue—as opposed to serving primarily as a means to provide the program or users with an automatic means of support, removed from the normal budget and appropriation process;

- Provides an appropriate means of financing for the program or activity that is used only when essential to the successful operation of the program or activity; and
- Demonstrates the capacity to be financially self-sustaining.

Trust fund and trust account criteria

Unlike the requirements for special and revolving funds, the law is silent on whether a trust fund or trust account can be established other than by statute. The criteria used to review trust funds and trust accounts are the extent to which each fund or account:

- Continues to serve the purpose for which it was originally created;
- Provides the benefits or services originally intended to beneficiaries;
- Requires no general fund appropriation; and
- Meets the definition of a trust fund or trust account, respectively.

The first two criteria are derived from the objectives of section 23-12, HRS, which ask for an evaluation of the original intent of each fund and the degree to which each fund achieves its stated purpose. The third criterion assesses whether a fund relies on general fund appropriations. If general fund appropriations are needed to finance the fund's activities (as opposed to providing seed moneys only), classification as a trust fund may not be warranted. The fourth criterion assesses whether a fund is held by the State only for the benefit of those with a vested interest in the assets.

Objectives of the Review

1. Identify and review all special funds, revolving funds, trust funds, and trust accounts of GOV and LTG.
2. For each special fund, revolving fund, trust fund, and trust account, determine the original intent and purpose, per statute and as understood by GOV and LTG, and determine the degree to which each fund or account achieves its stated and claimed purposes.
3. Evaluate fund performance standards established by GOV and LTG.
4. Provide a five-year (FY2012–FY2016) unaudited financial summary for each fund or account reviewed.

Scope and Methodology

We reviewed all special funds, revolving funds, trust funds, and trust accounts directly administered by GOV during the five-year period under review (FY2012–FY2016). Funds and accounts include those established by statute as well as by administrative authority.

GOV did not have any special funds, revolving funds, or trust accounts during our review period. LTG did not have any non-general funds during our review period.

To identify funds subject to this review, we used a variety of sources, including our prior reviews, accounting reports from DAGS, non-general fund reports, legislative budget briefing documents, and other documents. We researched statutes, session laws, and legislative history. To gain an understanding of fund operations, we reviewed applicable agency and administrative rules and interviewed key fiscal and program personnel, as necessary.

We obtained a summary statement for each fund that reflects total fund transactions in the preceding five fiscal years (July 1, 2011 to June 30, 2016), including fund balances at the beginning of each fiscal year, total revenues, amount of interest earned, total expenditures, transfers, and ending fund balances for each fiscal year. We requested explanations for any discrepancies between ending balances for FY2011 reported in our last review, Report No. 11-04, and opening balances reported for FY2012. We did not audit GOV's financial data, which is provided for informational purposes only.

Procedures were performed on each fund using relevant criteria as stated above. We reviewed fund information for consistency with the intent of each fund's use and to ascertain the relationship between charges on users and expenditures. We reviewed and compared fund balances to financial activity and projected program needs and standards. We reviewed information on performance standards established for the funds and performed other procedures as necessary.

Where appropriate, we relied on our prior reports, including Report Nos. 96-21, *Review of Revolving and Trust Funds of the Office of the Governor, Office of Hawaiian Affairs, and the Department of Education*; 02-05, *Review of Revolving Funds, Trust Funds, and Trust Accounts of the Office of the Governor, Office of the Lieutenant Governor, Department of Education and Hawai'i State Public Library System, and Office of Hawaiian Affairs*; 06-08, *Review of Revolving Funds, Trust Funds, and Trust Accounts of the Office of the Governor, Office of the Lieutenant Governor, Department of Education and Hawai'i State Public Library System, and Office of Hawaiian Affairs*; 11-04, *Review of Revolving Funds, Trust Funds, and Trust Accounts of the Office of the*

Governor, Office of the Lieutenant Governor, Department of Education and Hawai'i State Public Library System, and Office of Hawaiian Affairs; and 12-04, Study of the Transfer of Non-general Funds to the General Fund.

Our review was conducted from June 2016 to August 2016, and followed standard office procedures according to the Office of the Auditor's *Manual of Guides*. Recommendations were made where applicable.

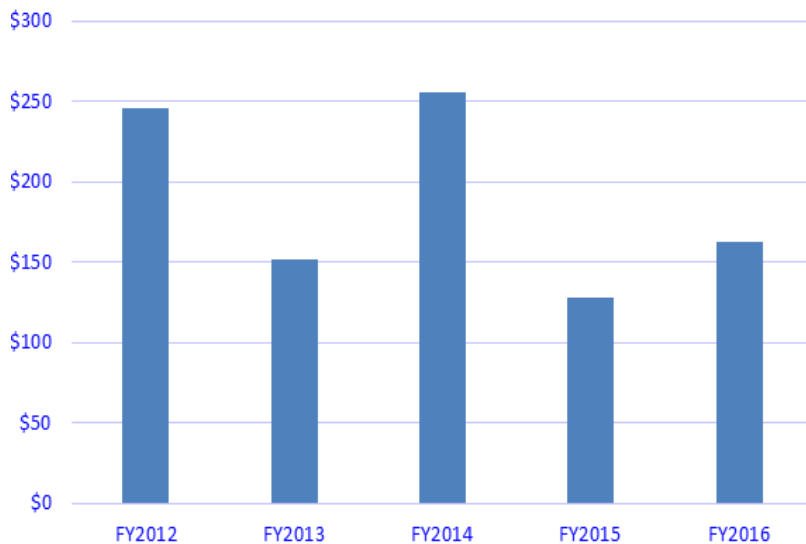
Chapter 2

Offices of the Governor and the Lieutenant Governor

This chapter presents the results of our review of eight trust funds of the Office of the Governor (GOV). GOV did not have any special funds, revolving funds, or trust accounts during the period of review. The Office of the Lieutenant Governor (LTG) did not have any special, revolving and trust funds or trust accounts during the period of our review. Fund fiscal year-end balances amounted to at least \$128,000 during the period reviewed.

Exhibit 2.1 displays the totals for these fund balances at the end of each fiscal year.

Exhibit 2.1
Cash Balances for GOV Trust Funds, FY2012–FY2016
(in thousands)



Source: Office of the Auditor

Substantial amounts are also collected, expended, and transferred by the funds annually. In FY2016, the trust funds collected more than \$264,000 and spent or transferred more than \$229,000.

For each fund, we present a five-year financial summary, the purpose of the fund, and conclusions about its use and whether it meets the criteria for continuance of a special fund. We do not assess the effectiveness of programs and their management. The funds are presented in alphabetical order.

Exhibit 2.2 presents GOV funds that do not meet criteria for continuance and should be closed.

Exhibit 2.2
GOV Funds Not Meeting Criteria

Fund Name	Fund Type	FY2016 Ending Balance (rounded)	No longer serves original purpose	No clear nexus between benefits sought and user charges or a clear link between the program and revenue sources	Program can operate under general fund appropriation process	Inappropriate financing mechanism	Not financially self-sustaining	Does not serve a need	Does not meet trust fund or account definition
Emergency Appropriation - Office of the Governor	Trust	\$ 0	✓						
Healthcare Transformation Coordinator Grant	Trust	\$1,000	✓						

Source: Office of the Auditor

**Early Childhood
Coordinator
Grant
(trust fund)**

**Administratively
established**

Financial Data for Fiscal Years 2012–2014 (in thousands)

	FY2012	FY2013	FY2014
Beginning Balance	\$0	\$10	\$1
Revenues	70	70	0
Interest	0	0	0
Expenditures	(60)	(79)	(1)
Transfers (net)	0	0	0
Ending Balance	\$10	\$1	\$0
Encumbrances	\$0	\$0	\$0

This fund was closed in FY2014. Administratively created in 2012, the fund was used to support former Governor Neil Abercrombie's Early Childhood Coordinator, a cabinet-level position tasked with developing and implementing a strategic action plan for early childhood, including work in support of the Race to the Top—Early Learning Challenge. Revenues were generated by a grant from the Hawai'i Community Foundation.

***Emergency
Appropriation—Office
of the Governor
(trust fund)***

***Administratively
established***

Financial Data for Fiscal Years 2012–2016 (in thousands)

	FY2012	FY2013	FY2014	FY2015	FY2016
Beginning Balance	\$0	\$0	\$0	\$0	\$0
Revenues	0	0	0	0	0
Interest	0	0	0	0	0
Expenditures	0	0	0	0	0
Transfers (net)	0	0	0	0	0
Ending Balance	\$0	\$0	\$0	\$0	\$0
Encumbrances	\$0	\$0	\$0	\$0	\$0

This fund was established in 2011 with an appropriation amount of \$29,050. Since there has been no activity and no records are available, the fund should be closed.

***Hawai‘i Association
of Health Plans
(trust fund)***

***Administratively
established***

Financial Data for Fiscal Years 2014–2015 (in thousands)

	FY2014	FY2015
Beginning Balance	\$0	\$27
Revenues	72	0
Interest	0	0
Expenditures	(45)	(16)
Transfers (net)	0	(11)
Ending Balance	\$27	\$0
Encumbrances	\$0	\$0

The fund was administratively created in 2014 with a grant from the Hawai‘i-Western Management Group, a health insurance third-party administrator for Hawai‘i Medical Assurance Association and self-funded employer group’s health plans. The fund was used to pay for a policy analyst position. The fund was closed in FY2015, and the remaining fund balance was transferred to a trust fund in support of the Governor’s Healthcare Transformation Coordinator.

**Healthcare
Transformation
Coordinator Grant
(trust fund)**

**Administratively
established**

Financial Data for Fiscal Years 2012–2016 (in thousands)

	FY2012	FY2013	FY2014	FY2015	FY2016
Beginning Balance	\$0	\$181	\$96	\$140	\$1
Revenues	304	159	237	36	0
Interest	0	0	0	0	0
Expenditures	(123)	(244)	(193)	(186)	0
Transfers (net)	0	0	0	11	0
Ending Balance	\$181	\$96	\$140	\$1	\$1
Encumbrances	\$0	\$0	\$0	\$0	\$0

This fund no longer serves the purpose for which it was created. The fund was administratively established in 2012 to administer grant funds from the Hawai‘i Community Foundation in support of the Governor’s Healthcare Transformation Coordinator, who is tasked with developing and implementing healthcare transformation plans in Hawai‘i. GOV will close the fund and return the remaining balance to the foundation.

**National Governors
Association Grant
(trust fund)**

**Administratively
established**

Financial Data for Fiscal Years 2014–2015 (in thousands)

	FY2014	FY2015
Beginning Balance	\$0	\$4
Revenues	25	0
Interest	0	0
Expenditures	(21)	(4)
Transfers (net)	0	0
Ending Balance	\$4	\$0
Encumbrances	\$0	\$0

This fund was closed in FY2015, when the grant period ended. Administratively created in 2014, the trust fund was used to obtain expert technical assistance to build and implement an early childhood policy agenda. Revenues came from a grant provided by the National Governors Association to focus on strategies to develop and appropriately use child assessment from birth to third grade. Expenditures were for salaries, fringe benefits, and operational expenses,

such as meetings and consultant fees, in support of the implementation of the policy agenda.

***Office of the Governor
(trust fund)***

***Administratively
established***

Financial Data for Fiscal Years 2012–2014 (in thousands)

	FY2012	FY2013	FY2014
Beginning Balance	\$0	\$55	\$54
Revenues	152	148	14
Interest	0	0	0
Expenditures	(97)	(149)	(68)
Transfers (net)	0	0	0
Ending Balance	\$55	\$54	\$0
Encumbrances	\$0	\$0	\$0

This fund was closed in FY2014. Administratively created in 2012, the fund was used to administer a grant from the Kellogg Foundation to provide funding for the Education Policy Analyst and Early Learning Childhood Coordination positions.

***Omidyar ‘Ohana Fund
(trust fund)***

***Administratively
established***

Financial Data for Fiscal Years 2014–2016 (in thousands)

	FY2014	FY2015	FY2016
Beginning Balance	\$0	\$16	\$20
Revenues	100	124	263
Interest	0	0	0
Expenditures	(84)	(120)	(120)
Transfers (net)	0	0	0
Ending Balance	\$16	\$20	\$163
Encumbrances	\$0	\$0	\$0

This fund continues to serve the purpose for which it was created and meets the criteria for a trust fund. Created in 2014, the fund provides for a program manager in the Executive Office on Early Learning tasked with providing leadership, coordination and facilitation of the Early Childhood Action Strategy, and creating statewide policies among public

and private organizations serving young children and their families in the areas of health, child welfare, childcare, education, and other community services. Revenues come from a grant from the Hawai‘i Community Foundation—Omidyar ‘Ohana Fund.

***Technology
Transformation Fund
(trust fund)***

***Administratively
established***

Financial Data for Fiscal Years 2014–2016 (in thousands)

	FY2014	FY2015	FY2016
Beginning Balance	\$0	\$68	\$107
Revenues	215	300	2
Interest	0	0	0
Expenditures	(147)	(261)	0
Transfers (net)	0	0	(109)
Ending Balance	\$68	\$107	\$0
Encumbrances	\$0	\$0	\$0

This fund was closed in FY2016. Administratively created in 2014, the trust fund was used for the implementation of the State Business and Information Technology/Information Resource Management Transformation Plan. Revenues came from a grant provided by the Hawai‘i Community Foundation to support two new staff positions. Expenditures were for salaries, fringe benefits, and operational expenses in support of the implementation of the plan. The grant period ended in FY2016, and the remaining fund balance was returned to the Hawai‘i Community Foundation.

Chapter 3

The Office of the Governor Did Not Report Non-General Funds As Required by Law

As we reported in our *Study of the Transfer of Non-general Funds to the General Fund*, Report No. 12-04, special, revolving, and other types of non-general funds collectively represent about half of the State's operating budget—moneys that are not subject to the same level of legislative scrutiny as the general fund. Accurate and complete reporting of all funds as required by law would greatly improve the Legislature's oversight and control of these funds and provide increased budgetary flexibility. Fund reports are one of the primary means through which legislative money committees track non-general funds. The reports are used to monitor fund balances and identify excess moneys for possible transfer to the general fund.

During our review of the trust funds of the Office of the Governor (GOV), we noted non-compliance with statutory requirements to report financial activity and balances as required by section 37-47, Hawai'i Revised Statutes (HRS), as well as fund information for administratively established funds under section 37-52.5, HRS. GOV did not report to the 2016 Legislature six (6) non-general funds with balances totaling \$128,071 at the end of FY2015. In addition, those non-general funds were administratively created and were not reported to the Legislature as required by section 37-52.5, HRS.

Section 37-47, HRS, requires departments to submit to the Legislature an annual report of each non-general fund account including information such as the intended purpose of the fund, current program activities supported by the fund, and financial data. The Director of Finance annually issues a memorandum requesting all departments to complete and submit Form 37-47, *Report on Non-General Fund Information*, to the Department of Budget and Finance for each of their non-general funds. The Department of Budget and Finance compiles a report of all non-general fund accounts and submits it to the Legislature prior to the start of each legislative session.

Section 37-52.5, HRS, requires any department or agency (excluding the Judiciary) that administratively establishes a new fund or account to submit a report to the Legislature. Shortly after passage of section 37-52.5, HRS, the State Comptroller issued Memorandum No. 2002-35 in October 2002, alerting agency heads as well as departmental administrative and fiscal officers of the legislative reporting requirement. The report must be filed within 30 working days of a fund or account's creation, and should include a justification for the fund or account and

identification of its sources of revenue. In addition, prior to the start of each legislative session, the law requires each department to submit to the Legislature a listing of all administratively established funds or accounts along with a statement of their revenues, expenditures, encumbrances, and ending balances for each fund or account.

Office of the Auditor's Comments on the Affected Agency Responses

Comments on the Affected Agency Responses

We transmitted a draft of this review to the Office of the Governor on October 28, 2016. The Office of the Governor subsequently provided its written response to the draft report on November 7, 2016 (Attachment 1).

The Office of the Governor generally agreed with our findings and will take appropriate action to close the two trust funds that no longer serve their original purposes. The Office of the Governor also stated that it will ensure compliance with all reporting requirements.

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EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

November 7, 2016

Honorable Les Kondo
State Auditor
Office of the Auditor
465 S. King Street, Room 500
Honolulu, Hawai'i 96813

Dear Mr. Kondo:

We have reviewed your Draft Report entitled "Review of Special Funds, Revolving Funds, Trust Funds and Trust Accounts of the Offices of the Governor and Lieutenant Governor". We do not dispute the findings or recommendations in the Draft Report. Most of the funds and accounts have been closed or are in the process of being closed. For those funds or accounts with balances in Fiscal Year 2016, we will file a report with the Department of Budget and Finance, pursuant to section 37-47, Hawai'i Revised Statutes, and going forward, as appropriate.

With aloha,

A handwritten signature in black ink, appearing to read "Mike McCartney".

Mike McCartney,
Chief of Staff, Office of the Governor

C: Laurel Johnston