Tyler J. Benner
County Auditor
County of Hawaiʻi
Office of the County Auditor
Ph 808.961.8386

County of Hawaiʻi
Office of the County Auditor
120 Pauahi St., 309
Hilo, HI 96720
F 808.961.8905

www.hawaiicounty.gov

June 23, 2025

Honorable Holeka Goro Inaba, Council Chair
and Members of the Hawaiʻi County Council
Hawaiʻi County Council
25 Aupuni Street
Hilo, Hawaiʻi 96720

Dear Chair Inaba and Council Members,

In accordance with Hawaiʻi County Charter Section 3-18(d)(2), the Office of the County Auditor's Fiscal Year 2025-26 Annual Audit Plan is attached. This provision requires our office to transmit an annual audit plan to the Hawaiʻi County Council and the Mayor.

The plan includes the following:

- Annual Comprehensive Financial Report for Fiscal Year Ending 2025
- Single Audit of Federal Financial Assistance Programs for Fiscal Year Ending 2025
- Audit of the Financial Statements of the Department of Water Supply for Fiscal Year Ending 2025
- One peer review
- One follow-up audit
- Three carry-over audits
- Four surprise cash counts
- Unplanned engagements, and special projects (Grant-in-Aid, Whistleblower Investigations)
- Consider Council-initiated audits/projects

We want to take this opportunity to share our appreciation with the entire organization as we look forward to pursuing the upcoming audit engagements and projects for the County of Hawaiʻi.

Respectfully,

Tyler J. Benner
County Auditor
County of Hawaiʻi

County of Hawaiʻi
Annual Audit Plan

Fiscal Year 2025-26

County of Hawaiʻi

Office of the County Auditor

120 Pauahi St., 309

Hilo, HI 96720

County of Hawaiʻi
Office of the County Auditor
120 Pauahi St., 309
Hilo, HI 96720

Date: June 23, 2025
To: Honorable Holeka Goro Inaba, Council Chair
and Members of the Hawaiʻi County Council
From: Tyler J. Benner, County Auditor
Subject: **Annual Audit Plan Fiscal Year 2025-26**

Executive Summary

Under Hawaiʻi County Charter Section 3-18(d)(2), the Office of the County Auditor respectfully submits its Fiscal Year 2025-26 Annual Audit Plan. The provision requires our office to provide an annual audit plan to the Hawaiʻi County Council and the Mayor.

An audit plan identifies specific agencies, departments, divisions, funds, programs, and activities that may be considered for examination to achieve one or more of the audit objectives.

After considerable discussion and analysis, we designed the work plan to focus on priorities including data security, public safety, organization alignment, transparency, and program efficacy.

Respectfully,

Tyler J. Benner
County Auditor
County of Hawaiʻi

Cc. Honorable C. Kimo Alameda, PhD., Mayor
William V. Brilhante Jr., Managing Director
Jon Henricks, County Clerk

Vision Statement

Our vision is to enhance County government by leveraging new and emerging technology, evolving the control environment at the speed of business, to provide reasonable assurance that public resources and services are receiving the adequate stewardship they deserve.

Mission Statement

It is our mission to independently serve the County Council and the citizens of Hawaiʻi County by promoting accountability, fiscal integrity, and transparency in local government. We conduct performance and financial audits of County agencies and programs in accordance with Government Auditing Standards.

The Office of the County Auditor examines the use of public funds, evaluates operations and activities, and provides analyses, options, and recommendations to decision-makers in an objective manner. Our work supports County government in managing public resources, delivering public services, and upholding public trust.

Audit Objectives

We achieve our mission by pursuing the following audit objectives:

- Determine the effectiveness and efficiency of organizations accomplishing their mission and identify cost savings and revenue enhancement opportunities.
- Evaluate adequacy and compliance of internal controls, policies and procedures, systems, and processes.
- Evaluate proper accounting and safeguarding of County-owned assets.
- Cause to conduct reviews of the accuracy of financial and operating transactions.
- Confirm compliance with local, state, and federal laws and regulations.
- Proactively identify and investigate reported fraud, theft, waste, abuse, etc. and recommend controls to prevent and detect such occurrences.
- Determine the effectiveness and efficiency of County programs and resources being utilized.
- Follow-up, review, and evaluate previously conducted audits to ensure management actions achieve satisfactory solutions to all significant issues.

Fiscal Year 2025-26 Planned Audits

(Order yet to be determined)

Mandated by Charter

- Annual Comprehensive Financial Audit of the County of Hawaiʻi
- Single Audit of Federal Financial Assistance Programs
- Audit of the Financial Statements of the Department of Water Supply

In accordance with Hawaiʻi County Charter Section 10-13, our office will monitor the contract with the external auditor, Accuity LLP, (RFP #4375a), to complete the following:

- Conduct audits of the accounts and other evidence of financial transactions of the County of Hawaiʻi for the Fiscal Year Ending June 30, 2025
- Single Audit* of Federal Financial Assistance Programs for Fiscal Year Ended June 30, 2025
    - Report for Landfill Financial Assurance; and
    - Financial Assessment Electronic Submission of Section 8 – Housing Choice vouchers
- Financial Audit of the Department of Water Supply for the Fiscal Year Ended June 30, 2025

*Additional programs may be added as determined by the Schedule of Expenditures of Federal Awards (SEFA).

Audits In Process

The office will complete and publish carryover items from the previous year.

- Department of Information Technology, Cybersecurity Audit (Phase I)
  - Fieldwork and testing
  - Unpublished
- Hawaiʻi County Fire Department, Follow up Performance Audit.
  - Planned entrance conference (July 2, 2025)
  - Unpublished
- Department of Research and Development
  - Suspended until other projects are completed
  - Unpublished

Additions to the Audit Work Plan

We continuously evaluate risk. Risk can be inherent and dynamic and can evolve rapidly. Our audit plan may be modified at any time. Modifications should not be considered a plan failure but should instead reflect the changing environment and the need to adapt to new and unanticipated threats.

Follow-Up Audit

- **Office of Housing and Community Development Housing Credits Audit Follow-up**

Our audit will follow up on Report No. 2023-01, published February 1, 2023, titled “Office of Housing and Development Affordable Housing Credits” to determine the progress and implementation status of seven (7) recommendations previously identified.

As of June 23, 2025, the status of recommendations for reports being tracked are as follows:

Dept_Div/Subject	Pending	Resolved	Fully Implemented	Partially Implemented	Not Implemented	Not Applicable	Follow-Up
County Council							
Liquor Travel	2	0	0	0	0	0	No
Fire							In Progress vv
Performance	13	0	0	0	0	0	No
Mass Transit							
Cash Handling	0	5	28	6	1	8	Yes
Water Supply							
Cash Handling	0	1	6	0	0	0	Yes
Contingency Plans	0	1	2	0	0	0	Yes
Human Resources							
Hiring Practices	0	3	4				Yes
Real Property Tax							
Collection	11	0	0	0	0	0	No
Housing							In Plan vv
Housing Credits	7	0	0	0	0	0	No
Information Technology							
Help Desk	6	0	0	0	0	0	No
Public Works							
Contract, Change Orders	7	0	0	0	0	0	No
Bridges, Culverts	7	0	0	0	0	0	No
Permits	27	0	0	0	0	0	No
Police							
Community Service,	5	0	0	0	0	0	No
Dept Liquor Control							
Travel	3	0	0	0	0	0	No

Council-Initiated Audit

- The office will consider Council-related audits and projects brought forward by resolution.
- Performance audits approved by Council Resolution and agreed to by the County Auditor.

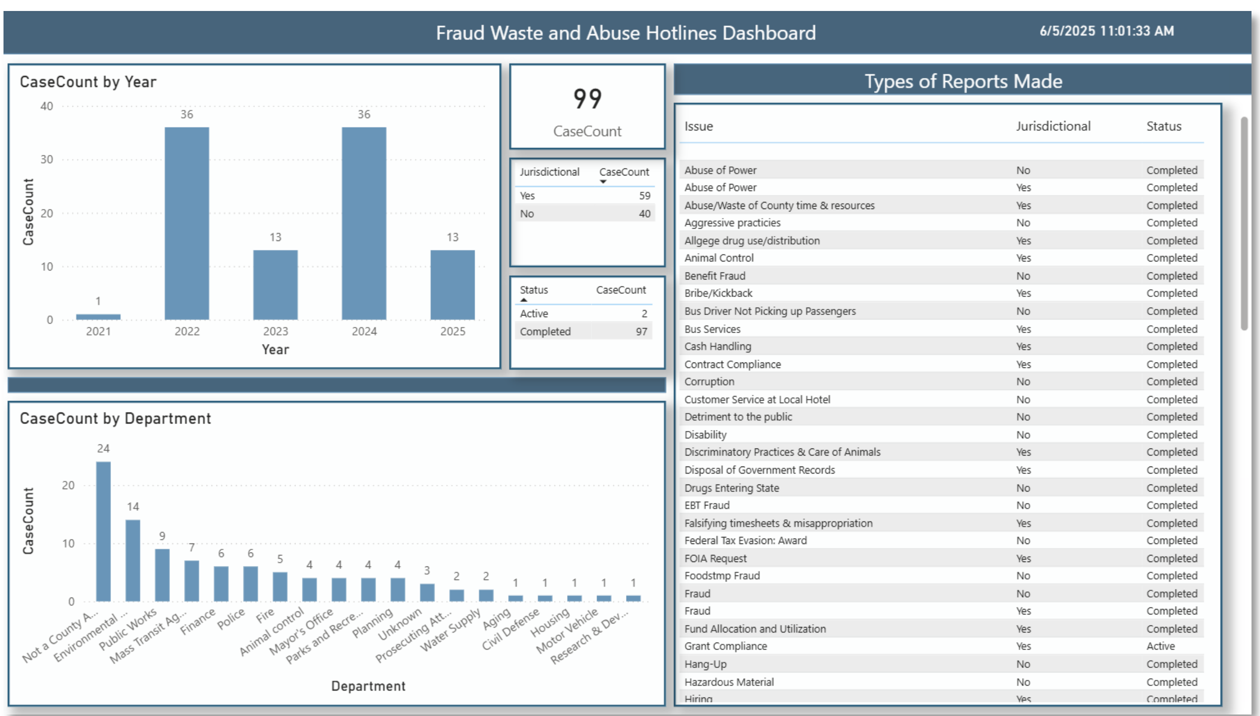
Special Projects (Non-Audit)

- Grant-In-Aid (Wai-Wai)
- Remediation tracker
- Surprise cash counts
- Peer Review
- Tips requiring further research from Fraud and Whistleblower Hotlines

Since inception in 2022, our fraud, waste, and abuse hotlines have received approximately 99 calls, both substantiated and unsubstantiated*.

The improper use of government resources or positions are commonly uncovered by employees and the public. We strongly encourage reporting of any concerns through our fraud waste and abuse hotlines:

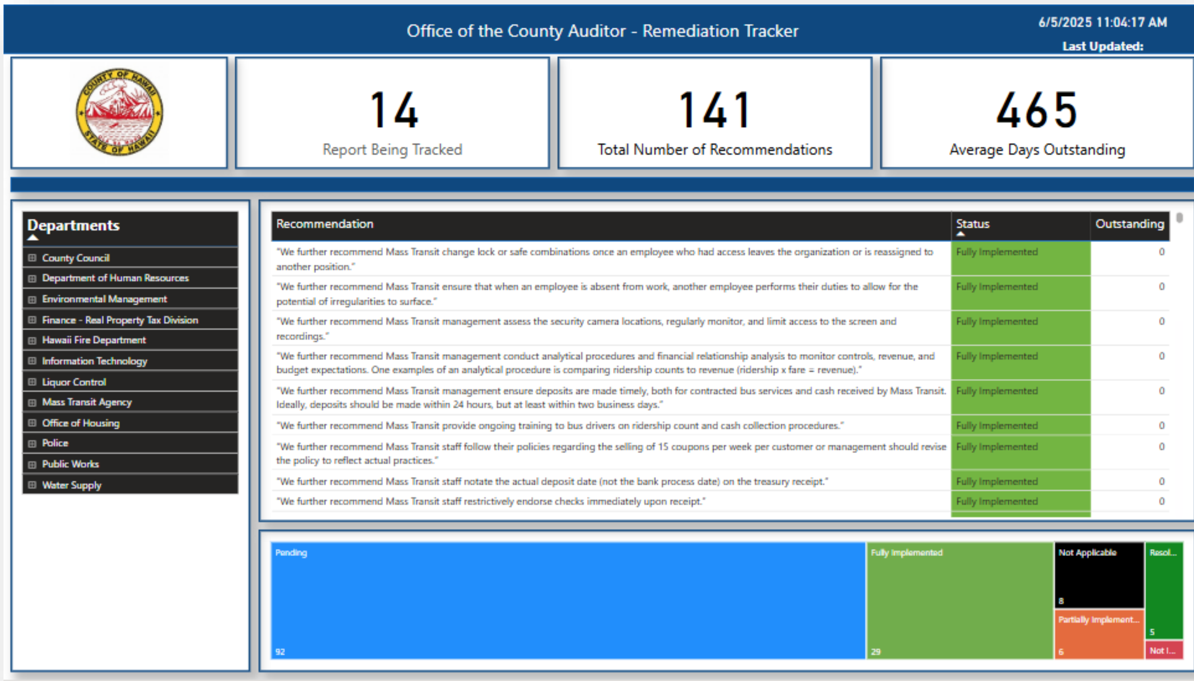
Fraud and Waste: 808.480.8213 Abuse: 808.480.8279

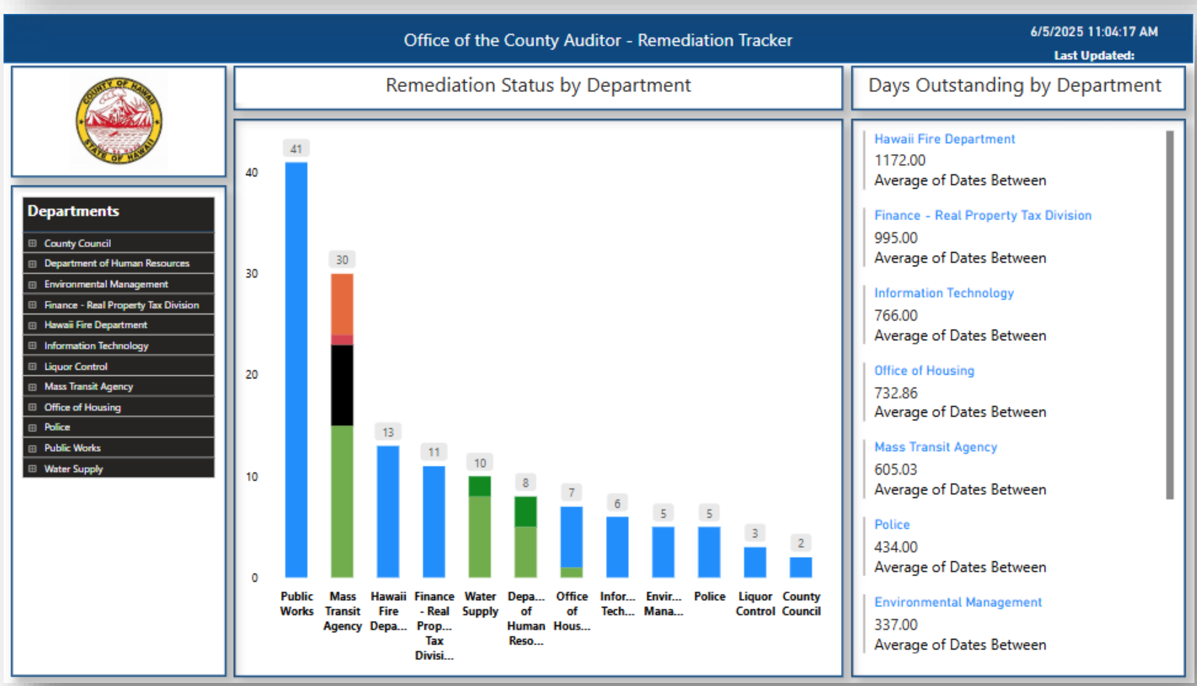


*as of June 5, 2025

Remediation Tracker

To increase government transparency and accountability, we have developed a remediation tracker. We continuously track the status of recommendations until implemented or otherwise resolved.





Next Steps

Carryover and new audit engagements will commence as scheduling permits. Completed audits will be shared with those charged with governance, and responsible parties will have the opportunity to provide comments. Completed reports will be transmitted to the County Council and the Mayor and filed with the County Clerk as a public record.

We want to take this opportunity to thank the County Council and the Administration for their support. We look forward to conducting our work this coming year.

Respectfully,

Tyler J. Benner
County Auditor
County of Hawaiʻi