

September 5, 2024

Chair Miyahira and Members of the Board of Regents Committee on Audits

My name is Jill Nunokawa and I present testimony in my Personal capacity on the only agenda item on your calendar today.

The Director of Internal Audit is one of the most important positions at the University of Hawaii. As the recommended position description states, “The Director is responsible for assessing and managing the University’s **compliance, financial and operational risks.**” It further states, “The Director reports on the adequacy of internal controls, the accuracy and propriety of transactions, the extent to which assets are accounted for and safeguarded and the level of compliance with instructional policies and government laws and regulations;”.

The position description is riddled throughout with the word “compliance”. I am wholeheartedly in favor of compliance and safeguarding our public assets.

It also states, “The Director of Internal Audit reports directly to the University of Hawaii’s Board of Regents and supports them in their responsibility to oversee and monitor the operations of the University and to ensure that the University’s activities are in support of the University’s mission.”

I also agree with this mandate. I ask the Regents to look and note that nowhere in the position description does it state that the Applied Research Laboratory at the University of Hawaii is excluded from the requirements of compliance, the accuracy and propriety of transactions, the extent to which assets are accounted for and safeguarded and the level of compliance with instructional policies and government laws and regulations. ARL at UH does not get a pass or a get out of jail free card, this controversial UH Laboratory must comply with all instructional policies and government laws and regulations and to ensure this occurs with any semblance of truth, honesty, and integrity the Board of Regents must audit ARL at UH, especially given the lack of disclosure, transparency, accountability and mismanagement of state and federal funds.

The Board cannot allow the ongoing operations of ARL at UH, with the rumor of expanded contracts with the Department of Defense signed by the UH President

and Principal Investigator and refuse to audit the operations to ensure compliance, adequacy of internal controls, the accuracy and propriety of transactions, asset accountability and safeguarding, and the compliance with state and federal laws. The ARL at UH operation under this current regime is a glaring and blatant conflict of interest and can only be remedied by the Board of Regents conducting an internal audit of all ARL at UH financial transactions. I know once this undertaking occurs, the Board will understand the depth of corruption, cover up and collusion currently occurring at our beloved public institution of Higher Education.