

Statement for 1.7

UH Hilo has functioned annually without an operational deficit due to sound financial management of the institution's total financial resources that includes management of its state allocation, the tuition, fees, and service fund (TSFS), and the reserve, independent of extramural resources.

The mission of the UH Hilo Division of Administrative Affairs is that it be recognized by the campus community as a valued resource and strategic partner, offering innovative solutions to ensure achievement of excellence by all university constituencies; and that it be known for our accessibility to provide reliable, accurate, secure, and creative services while being honest, fair, transparent and responsive.

The Budget Office is dedicated to provide exceptional financial advice and leadership in all matters that pertain to budgetary analysis, formulation, and control processes involved in the allocation of resources; monitoring and review of operational expenditures; creation of multi-year financial plans; forecasting of program financial requirements; and performance of trend analyses of revenues and expenditures to assure a balanced budget. The Budget Office ensures that the needs of UH Hilo's departments and programs are achieved through responsible fiscal practices, and that financial accountability is maintained while complying with administrative procedures, directives, laws, and policy decisions implemented by the University administration and the Board of Regents.

The mission of the Budget Office is to evaluate available resources, needs, current allocations, expenditures and monetary requests to recommend effective and efficient operating budgets for the major units of UH Hilo and the specific programs under the authority of the Vice Chancellor for Administrative Affairs, as well as, Academic Affairs, Student Services, and areas under UH Hilo's Chancellor's Office. Dedication to enhancing the quality of education and the growth of UH Hilo through real time budget analyses and wise fiscal management is carried out through the following duties:

- Providing technical advice
- Performing complex evaluations of unit, systems, and government budgets
- Resolution of problems that relate to the development of short and long term financial plans
- Reviewing annual budget requests for areas in need and providing valuable input that results in positive outcomes

The Vice Chancellor for Administrative Affairs, and the employees of the division subscribe to the National Association of College and University Business Officers (NACUBO) and adhere to the [Code of Ethics](#) proffered by this prestigious organization.

The University of Hawai'i System finances are regularly audited by qualified independent auditors. The [Board of Regents: Committee on University Audits](#) advises the Board regarding the Board's responsibilities to oversee:

1. the quality and integrity of the University's compliance with legal, regulatory and policy requirements, financial reporting and financial statements, and internal controls related to risks;

2. the function, disclosures, and performance of the University's compliance, internal control, and risk management systems regarding ethics and compliance, risk, finance, and accounting, and the adequacy of such systems; and
3. the independent certified public accountant's qualification, independence and performance, as well as performance of the internal audit function.

The committee is charged to:

1. Review the annual internal audit plan and the extent to which it addresses high risk areas.
2. Review the annual report of the internal audit department and discuss significant issues of internal controls with the Internal Auditor and management.
3. Discuss the planned scope of the annual independent audit with the independent certified public accountants and review the results of the audit with the independent certified public accountants and management.
4. Receive and review the annual certified financial reports with the independent certified public accountants and management.
5. Recommend to the Board the certified public accountants to serve as the independent auditor, and their fees.
6. Revise the scope of the annual audit, and approve any services other than audit and audit related services provided by the certified public accountants.
7. Provide recommendations to the Board regarding approval of the internal audit mission statement, the committee's charter, and other governance documents related to both internal and external compliance and auditing activities at the University.

Statement prepared by:

Donnette "Lei" Kaponu, Office of the Chancellor

October 4, 2020