

JAN 22 2010

A BILL FOR AN ACT

RELATING TO OUT-OF-STATE OFFICES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 201, part VI, Hawaii Revised Statutes,
2 is amended by adding a new section to be appropriately
3 designated and to read as follows:

4 "§201- Management and financial audit. Beginning
5 July 1, 2010, the auditor shall conduct at least every two years
6 a management and financial audit of the out-of-state offices.
7 The auditor may contract the audit services of a third party to
8 conduct the audit. The department shall compensate the auditor
9 for costs incurred by the auditor in conducting the management
10 and financial audit. The auditor shall submit the audit report
11 and recommendations to the legislature no later than twenty days
12 prior to the convening of the regular session following the year
13 in which the audit is conducted."

14 SECTION 2. Section 201-85, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "§201-85 Exemptions. The department is authorized to hire
17 employees necessary to staff its out-of-state offices subject to



1 chapter 76 and legislative appropriations. The department may
2 also appoint such other employees exempt from chapter 76 as may
3 be necessary to administer the affairs of its out-of-state
4 offices. The initial appointment shall not exceed three years,
5 during which time the department shall submit to the legislature
6 a request for approval prior to continuation of the position.
7 The department shall set the duties, responsibilities, salaries,
8 holidays, vacations, leaves, hours of work, and working
9 conditions for these employees. Subject to the approval of the
10 director of budget and finance, the department may be exempted
11 from the following state laws only to the extent necessary for
12 the conduct of its business in operating out-of-state offices:

- 13 (1) Sections 36-27 and 36-30, relating to special fund
- 14 transfers and reimbursements to the general fund;
- 15 (2) Chapter 36, relating to management of state funds;
- 16 (3) Chapter 38, relating to deposits of public funds;
- 17 [~~4~~] Chapter 40, relating to audit and accounting, except
- 18 that the department shall comply with section 40-81;
- 19 ~~5~~] (4) Chapter 76, relating to civil service;
- 20 [~~6~~] Chapter 77, relating to compensation;



1 ~~(7)~~ (5) Section 78-1, relating to public employment,
2 except when expressly hiring personnel subject to
3 section 78-1; and

4 ~~(8)~~ (6) Section 171-30, relating to acquisition of real
5 property.

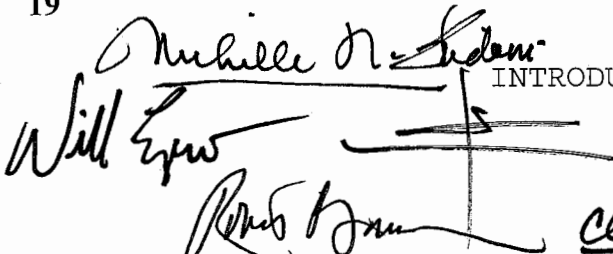
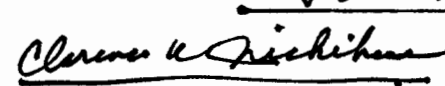

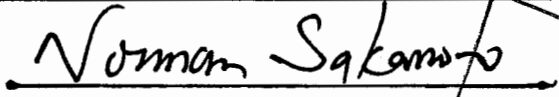

6 All moneys necessary for the establishment and operation of
7 out-of-state offices shall be allocated by the legislature
8 through appropriations out of the state general fund. The
9 department shall include in its budgetary request for each
10 upcoming fiscal period, the amounts necessary to effectuate the
11 purposes of this section."

12 SECTION 3. The office of the auditor shall conduct an
13 audit of out-of-state offices pursuant to this Act and shall
14 report its findings to the legislature no later than twenty days
15 prior to the convening of the 2011 regular session.

16 SECTION 4. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.


18 SECTION 5. This Act shall take effect on July 1, 2010.

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INTRODUCED BY:

2010-0370 SB SMA.doc



ANT-1110

Report Title:

Out-of-State Offices; Audit

Description:

Beginning July 1, 2010, requires the auditor to conduct at least every two years a management and financial audit of the department of business, economic development, and tourism out-of-state offices; requires reports to the legislature; repeals exemption from audit and accounting requirements for out-of-state offices.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

