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## 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, 2011, 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 with a third party to conduct the  
8 audit. The department shall reimburse the auditor for costs  
9 incurred in conducting the audit. The auditor shall submit an  
10 audit report, including any recommendations, to the legislature  
11 no later than twenty days prior to the convening of the regular  
12 session immediately following the conclusion of each audit."

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

15           "§201-85 Exemptions. The department is authorized to hire  
16 employees necessary to staff its out-of-state offices subject to  
17 chapter 76 and legislative appropriations. The department may  
18 also appoint such other employees exempt from chapter 76 as may



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

11 (1) Sections 36-27 and 36-30, relating to special fund  
12 transfers and reimbursements to the general fund;

13 (2) Chapter 36, relating to management of state funds;

14 (3) Chapter 38, relating to deposits of public funds;

15 [~~4~~] ~~Chapter 40, relating to audit and accounting, except~~  
16 ~~that the department shall comply with section 40-81;~~

17 ~~5~~] (4) Chapter 76, relating to civil service;

18 [~~6~~] ~~Chapter 77, relating to compensation;~~

19 ~~7~~] (5) Section 78-1, relating to public employment,  
20 except when expressly hiring personnel subject to  
21 section 78-1; and





# H.B. NO. 105

**Report Title:**

Out-of-state Offices; Audit

**Description:**

Beginning 7/1/11, 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.*

