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# HOUSE CONCURRENT RESOLUTION

REQUESTING THE AUDITOR TO CONDUCT A MANAGEMENT AND FINANCIAL  
AUDIT OF THE UNIVERSITY CLINICAL, EDUCATION AND RESEARCH  
ASSOCIATES, INC.

1           WHEREAS, the Office of the Auditor conducted a financial  
2 audit of the University of Hawaii John A. Burns School of  
3 Medicine (School) for the fiscal year July 1, 2001 to June 30,  
4 2002; and

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6           WHEREAS, the audit examined the financial records and  
7 transactions of the School, reviewed the related systems of  
8 accounting and internal controls, and tested transaction systems  
9 and procedures for compliance with laws and regulations; and

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11           WHEREAS, the Auditor's report recommended that the School  
12 revise the way it handles contract negotiations with health care  
13 organizations and commence services only after contracts are  
14 finalized and executed; and

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16           WHEREAS, the University Clinical, Education and Research  
17 Associates, Inc. is a separately incorporated not-for-profit  
18 corporation that contributes to the School's goal of improving  
19 the health care status of the citizens of Hawaii and the Pacific  
20 area by supporting the academic mission of the School; and

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22           WHEREAS, the University Clinical, Education and Research  
23 Associates, Inc. functions as a practice plan for the faculty of  
24 the School, providing a vehicle by which clinical revenues can  
25 be generated on a limited scale during the faculty's non-  
26 university, private practice; and

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28           WHEREAS, the financial information for the University  
29 Clinical, Education and Research Associates, Inc. was not  
30 included in the fiscal year 2001-2002 financial audit of the  
31 School that was conducted by the Office of the Auditor because



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1 the School and the University of Hawaii are not financially  
2 accountable for these entities; and

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4 WHEREAS, a management and financial audit of the University  
5 Clinical, Education and Research Associates, Inc. should be  
6 conducted because the program is a School-related entity; and  
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8 WHEREAS, the Auditor is constitutionally and statutorily  
9 responsible for auditing state and county programs,  
10 expenditures, and any agencies that receive state funds and  
11 undertakes audits at the request of the Legislature or upon the  
12 Auditor's initiative; now, therefore,

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14 BE IT RESOLVED by the House of Representatives of the  
15 Twenty-sixth Legislature of the State of Hawaii, Regular Session  
16 of 2012, the Senate concurring, that the Auditor is requested to  
17 conduct a management and financial audit of the University  
18 Clinical, Education and Research Associates, Inc.; and  
19

20 BE IT FURTHER RESOLVED that the Auditor is requested to  
21 submit a report of any audit findings and recommendations,  
22 including any proposed legislation, to the Legislature no later  
23 than twenty days prior to the convening of the Regular Session  
24 of 2013; and  
25

26 BE IT FURTHER RESOLVED that certified copies of this  
27 Concurrent Resolution be transmitted to the Auditor, the  
28 Governor, the President of the University of Hawaii, the  
29 Chairperson of the University of Hawaii Board of Regents, the  
30 Dean of the University of Hawaii John A. Burns School of  
31 Medicine, and the Chief Executive Officer of the University  
32 Clinical, Education and Research Associates, Inc.  
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OFFERED BY:



FEB 21 2012

