

---

---

# A BILL FOR AN ACT

RELATING TO AUDITING THE DEPARTMENT OF EDUCATION.

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

1           SECTION 1. The legislature finds that recently, the  
2 department of education has become the subject of public outcry  
3 when certain school bus routes were eliminated. Further, a  
4 recent auditor's report flatly stated that the department "has  
5 lost control of its student transportation program." Moreover,  
6 this report is just one of several unfavorable audits of various  
7 aspects of the department.

8           The legislature further finds that the department of  
9 education remains under intense public scrutiny and the public  
10 has reason to be concerned about the department's operations,  
11 including its finances and management. The program costs of the  
12 department of education constitute more than fifteen per cent of  
13 the executive branch's total program costs for fiscal biennium  
14 2013-2015. Thus, a financial and management audit of the  
15 administration of the department of education is warranted.

16           The purpose of this Act is to mandate a financial and  
17 management audit of the administration of the department of  
18 education in order to assist the department, the board of



1 education, the legislature, and the executive branch in making  
2 changes necessary to improve the department.

3 SECTION 2. (a) The auditor shall conduct a financial and  
4 management audit of the administration of the department of  
5 education.

6 (b) The audit shall, at a minimum, examine in depth the  
7 effectiveness and efficiency of the department's administrative  
8 operations, including its:

9 (1) Organization and management; and

10 (2) Efficacy of fiscal operations, particularly with  
11 respect to spending and accountability.

12 (c) The financial and management audit required under  
13 subsection (a) shall focus on the department of education  
14 administration and shall encompass all levels of authority,  
15 including complex area superintendents, the superintendent of  
16 education, and all authority levels in between.

17 (d) To maximize the efficient use of the auditor's  
18 resources, the audit conducted pursuant to this section need not  
19 examine operations at the school level unless the auditor  
20 determines it is necessary to properly audit the administration  
21 of the department.



1 SECTION 3. The auditor shall submit to the legislature a  
2 report of a completed audit as prescribed by the requirements of  
3 this Act no later than twenty days prior to the convening of the  
4 regular session of 2015.

5 SECTION 4. There is appropriated out of the general  
6 revenues of the State of Hawaii the sum of \$1,000,000 or so much  
7 thereof as may be necessary for fiscal year 2013-2014 for the  
8 auditor to conduct a financial and management audit of the  
9 department of education, and the sum appropriated shall be  
10 expended by the office of the auditor for the purposes of this  
11 Act.

12 SECTION 5. This Act shall take effect on July 1, 2013.



**Report Title:**

Auditor; Department of Education; Report to Legislature

**Description:**

Mandates a financial and management audit of the administration of the Department of Education. Appropriates funds. Effective July 1, 2013. (HB318 HD1)

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

