
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 became the subject of public outcry and
3 local news when certain school bus routes were eliminated.
4 Further, a recent auditor's report flatly stated that the
5 department "has lost control of its student transportation
6 program". Moreover, this report is just one of several
7 unfavorable audits of various 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 a reasonable basis to be concerned about the department's
11 operations, including its finances and management. The program
12 costs of the department of education comprise more than fifteen
13 per cent of the executive branch's total program costs for
14 fiscal biennium 2013-2015. Thus, a financial and management
15 audit of the administration of the department of education is
16 long overdue.

17 The purpose of this Act is to mandate a periodic financial
18 and management audit of the administration of the department of



1 education in order to assist the department, the board of
2 education, the legislature, and the executive branch in making
3 needed changes to improve the department.

4 SECTION 2. Chapter 23, Hawaii Revised Statutes, is amended
5 by adding a new section to part I to be appropriately designated
6 and to read as follows:

7 "§23- Periodic audits of the administration of the
8 department of education. (a) The auditor shall submit to the
9 legislature no later than twenty days before the convening of
10 the 2016 regular session and every subsequent regular
11 session thereafter a report of a completed audit as prescribed
12 by the requirements of this section; provided that if the
13 auditor completes and reports on an audit in any intervening
14 year, the auditor shall not be required to complete and report
15 on a subsequent audit until the year after the completion
16 of that audit.

17 (b) A financial and management audit conducted pursuant to
18 this section shall focus on the administration of the department
19 of education, beginning with complex area superintendents and
20 going up to all higher levels of authority, including the
21 superintendent of education.



1 (c) In order to maximize the efficient use of the
 2 auditor's resources, an audit conducted pursuant to this section
 3 need not examine operations at the school level, unless the
 4 auditor determines it is necessary to properly audit the
 5 administration of the department.

6 (d) 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, especially with respect
 11 to spending and accountability.

12 SECTION 3. New statutory material is underscored.

13 SECTION 4. This Act shall take effect upon its approval.

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Report Title:

Auditor; Department of Education; Report to Legislature

Description:

Mandates a periodic financial and management audit of the administration of the department of education.

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