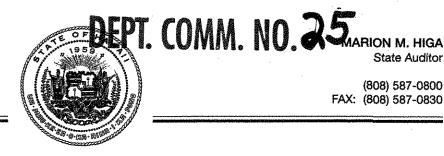
STATE OF HAWAI'I OFFICE OF THE AUDITOR

465 S. King Street, Room 500 Honolulu, Hawai'i 96813-2917



(808) 587-0800 FAX: (808) 587-0830

State Auditor

January 22, 2008

The Honorable Colleen Hanabusa President of the Senate State Capitol, Room 409 Honolulu, Hawai'i 96813

Dear Madam President:

I transmit to you a copy of our report, Management Audit of the Department of Education's Hawaiian Studies Program.

We found that the role of the Hawaiian Studies Program's kupuna component in meeting a constitutional requirement for a Hawaiian education has not been adequately defined and needs reassessment. The kupuna component lacks measurable objectives and data to account for achievements.

We also found that program managers have failed to provide guidelines for the outcomes that schools are expected to deliver for receiving their funding and have not implemented systematic oversight to ensure proper spending. As a result, significant moneys are diverted to unauthorized purposes or spent on goods and services with questionable connection to a Hawaiian education.

Finally, the department has ignored a board policy requiring textbooks to be purchased from a list of recommended materials, resulting in the purchase and use of textbooks that are objectionable to native Hawaiians.

We hope that the report will assist you in reviewing the issues examined. We will place the report on our website, www.state.hi.us/auditor, and release it to the public and press, on Wednesday, January 23, 2008.

Sincerely,

Marion M. Higa

State Auditor

Enclosure

c: Carol Taniguchi, Senate Clerk

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