

JAN 22 2021

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# A BILL FOR AN ACT

RELATING TO COMPLIANCE REVIEWS.

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

1           SECTION 1. Section 26-8, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           "**§26-8 Department of budget and finance.** (a) The  
4 department of budget and finance shall be headed by a single  
5 executive to be known as the director of finance.

6           (b) The department shall:

7           (1) Undertake the preparation and execution of the  
8 executive budget of the state government;

9           (2) Conduct a systematic and continuous review of the  
10 finances, organization, and methods of each department  
11 of the State to assist each department in achieving  
12 the most effective expenditure of all public funds and  
13 to determine that such expenditures are in accordance  
14 with the budget laws and controls in force;

15           (3) Have custody of state funds and be responsible for the  
16 safekeeping, management, investment, and disbursement  
17 thereof; and



1           (4) Administer state debts.

2           (c) The functions and authority heretofore exercised by  
3 the bureau of the budget (except for insurance management,  
4 surplus property management, and central purchasing transferred  
5 to the department of accounting and general services) and the  
6 funds custody, cash management, debt management, and  
7 administering of veterans loan functions of the treasurer as  
8 heretofore constituted are transferred to the department of  
9 budget and finance established by this chapter.

10           (d) The director of finance shall conduct compliance  
11 reviews of the transactions, accounts, programs, and performance  
12 of all departments, offices, and agencies of the State and its  
13 political subdivisions. The reviews shall identify the degree  
14 of compliance of each entity's programs and expenditures with  
15 statutory requirements enacted by the immediately preceding  
16 legislature in the last biennium and shall be conducted after  
17 the close of a legislative biennium.

18           No later than twenty days prior to the convening of the  
19 regular session in odd numbered years, the director shall submit  
20 a report to the legislature of the compliance reviews conducted  
21 by the director of finance for the immediately preceding



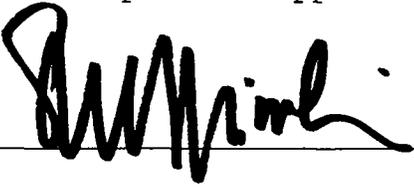
1 legislative biennium, together with findings relative to the  
 2 expenditures made by and financial transactions of the  
 3 departments, offices, and agencies of the State and its  
 4 political subdivisions. Certified copies of all reviews made by  
 5 the director of finance shall be sent to the governor. All  
 6 reports shall be available for public inspection.

7       ~~(d)~~ (e) The employees' retirement system as constituted  
 8 by chapter 88 is placed within the department of budget and  
 9 finance for administrative purposes. The functions, duties, and  
 10 powers, subject to the administrative control of the director of  
 11 finance, and the composition of the board of trustees of the  
 12 employees' retirement system shall be as heretofore provided by  
 13 law."

14       SECTION 2. Statutory material to be repealed is bracketed  
 15 and stricken. New statutory material is underscored.

16       SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY: 



# S.B. NO. 330

**Report Title:**

Department of Budget and Finance; Compliance Audits

**Description:**

Requires the department of budget and finance to conduct compliance of all state agencies biennially. Requires the department to submit a report of their findings to the legislature at the start of each legislative biennial.

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

