



STATE OF HAWAII
DEPARTMENT OF EDUCATION
KA 'OIHANA HO'ONA'AUAO
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 04/06/2026
Time: 01:00 PM
Location: CR 229 & Videoconference
Committee: EDU

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Title of Bill: SCR114, REQUESTING THE AUDITOR TO CONDUCT QUARTERLY PERFORMANCE AND MANAGEMENT AUDITS OF THE DEPARTMENT OF EDUCATION AND ITS ATTACHED AGENCIES.

Purpose of Bill: Requesting The Auditor To Conduct Quarterly Performance And Management Audits Of The Department Of Education And Its Attached Agencies.

Department's Position:

The Hawai'i State Department of Education (Department) respectfully provides comments on SCR114/SR107. We appreciate the intent of SCR 114 and SR 107, which seek to ensure transparency, accountability, and efficiency within the Department through a performance and management audit.

Public oversight is essential to ensuring that taxpayer funds are being utilized effectively to support student achievement and teacher success. However, while we support the goal of identifying operational improvements, we wish to offer the following comments regarding the practical implementation of these measures.

It is important to note that a performance and management audit of this scale is a massive undertaking. The Department must dedicate significant internal resources to the process, including:

- **Personnel & Time:** Key staff members, from executive leadership to school-level administrators, must pivot from their primary duties to facilitate the Auditor's requests.
- **Data & Documentation:** Compiling requested fiscal data, documentation, and performance metrics requires intensive administrative labor.
- **Operational Trade-offs:** Every hour spent gathering data for an audit is an hour taken away from the day-to-day activities and core objectives of the Department.

We urge the Committee to ensure that the scope of this audit is clearly defined. By narrowing the focus to the most critical areas of concern, the Legislature can obtain the necessary oversight while minimizing the disruption to the Department's primary mission of educating our students.



SENATE COMMITTEE ON EDUCATION
The Honorable Donna Mercado Kim, Chair
The Honorable Michelle N. Kidani, Vice Chair

**S.C.R. NO. 114 / S.R. NO. 107, REQUESTING THE AUDITOR TO CONDUCT
QUARTERLY PERFORMANCE AND MANAGEMENT AUDITS OF THE
DEPARTMENT OF EDUCATION AND ITS ATTACHED AGENCIES**

Hearing: Monday, April 6, 2026, 1:00 p.m.

The Office of the Auditor offers comments on S.C.R. No. 114 and S.R. No. 107, which request the Office of the Auditor to conduct *quarterly* performance and management audits of the Department of Education and its attached agencies, including no fewer than two performance and two management audits each year.

We do not have the capacity to conduct four performance and management audits of the Department of Education annually. In addition to our ongoing and upcoming performance audits of other agencies and programs, the Legislature has tasked us with performing other work,¹ including assessing income tax and general excise tax credits, exclusions, and exemptions; departments' special, revolving, and trust funds and trust accounts; proposals to enact new special and revolving funds; proposals to regulate professions; and proposals to mandate health insurance coverage, among other things. The work requested by these resolutions is not feasible given the size of our office and our current responsibilities and would prevent us from conducting performance audits of other agencies and programs in the years to come.

We suggest that the Board of Education's internal audit office is better suited to conduct the types of recurring audits requested by the resolution. While the internal audit office is not a "fully independent entity," it is independent of the department. The office is under and reports directly to the Board of Education. That office is better able to perform recurring assessments of program and organizational structures within the department, assessing risks to program performance, and recommending controls to address those risks.

We suggest that the resolution be amended to request the internal audit office to conduct performance and management audits. However, we defer to the office as to its capacity to perform the number and frequency of the requested audits.

¹ We conduct financial and single audits of 25 state programs, including the State of Hawai'i's Annual Comprehensive Financial Report and the State of Hawai'i's Single Audit, through contracts with independent CPA firms.

SCR-114

Submitted on: 4/3/2026 8:52:21 PM

Testimony for EDU on 4/6/2026 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Johnnie-Mae L. Perry	Individual	Support	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry, Support w/comment COPIES OF AUDITORS REPORTS TO SENATE AND HOUSE COMMITTEE EDUCATION CHAIRS.

107 SR REQUESTING THE AUDITOR TO CONDUCT QUARTERLY PERFORMANCE AND MANAGEMENT AUDITS OF THE DEPARTMENT OF EDUCATION AND ITS ATTACHED AGENCIES.