



**STATE OF HAWAII
BOARD OF EDUCATION**
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November 1, 2018

TO: Catherine Payne
Committee Chairperson, Audit Committee

FROM: Dwight Takeno
Committee Vice Chairperson, Human Resources Committee

AGENDA ITEM: Committee Action on recommendations concerning Department of Education's Investigation Process Review

I. BACKGROUND

On September 6, 2018, the Audit Committee referred the Department of Education's Internal Audit Office's *Investigation Process Review* to the Human Resources Committee with a charge to conduct a further review and assessment of IA's report. The Human Resources Committee was instructed to return the matter back to the Audit Committee with a report of their review. Human Resources Committee Chairperson Brian De Lima delegated this responsibility to the Human Resources Committee Vice Chairperson to look into the matter and provide a report to the Audit Committee with recommendations, as appropriate.

II. PROCESS

A review of the *Investigation Process Review* was conducted with interviews and meetings with representatives from the Department of Education's Internal Audit Office and the Office of Talent Management to seek additional clarification and insight. Comments made by Audit Committee members at the September 6, 2018 meeting over the *Investigation Process Review* was analyzed and considered.

III. RECOMMENDATION

Based on my review of the foregoing, I recommend that the Audit Committee direct the Internal Audit Office to continue its work with Department management representatives or designees and revise the *Investigation Process Review*, as necessary, to:

- A. Supplement the *Investigation Process Review* with additional facts, evidence, and documentation in support of Observation Number 1, “[i]nvestigations are not always free, both in fact and appearance, from potential impairments to independence;”
- B. Include a description of the current process that explains how a complainant can appeal a decision or bring an issue to a higher level in the organization if the person feels their complaint was mishandled;
- C. Clarify whether the existing reporting structure allows for independent review and whether risk can be sufficiently mitigated using existing structures, in particular the Department’s Fraud and Ethics Hotline; and
- D. Clarify whether there are specific system wide policies, procedures, protocols and/or guidelines to determine whether to investigate internally or refer/escalate a complaint to higher authority/agencies and how consistently these process are followed and/or used by principals across the state.
- E. After completion of A - D above, transmit the revised review back to the Audit Committee for consideration, either as a revised *Investigation Process Review* or integrated into the pending internal audit on *Decision-Making Process Review*.