STAND. COM. REP. NO. 3327

Honolulu, Hawaii

APR 0 3 2008

RE: H.B. No. 2163

H.D. 2 S.D. 1

Honorable Colleen Hanabusa President of the Senate Twenty-Fourth State Legislature Regular Session of 2008 State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 2163, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO COMPTROLLER SUPERVISION OF ACCOUNTS,"

begs leave to report as follows:

The purpose of this measure is to require the University of Hawaii to preaudit only those proposed payments made by the University that are \$10,000 or more in value.

Your Committee received testimony in support of this measure from the University of Hawaii.

Your Committee finds that the University of Hawaii audit system involves the review of all financial transactions for legality, propriety, conformity to policies and rules, and the adequacy of supporting documentation. This system has become increasingly difficult to maintain due to staffing and resource shortages, and late penalty time constraints.

This measure will allow the University to redesign its preaudit system to use resources more effectively with risk-based sampling techniques to provide a more efficient and productive audit system. The measure will also provide parity with the Department of Accounting and General Service's policy of auditing only payments of \$10,000 or more.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2163, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on behalf of the members of the Committee on Ways and Means,

ROSALYN H. BAKER, Chair

The Senate Twenty-Fourth Legislature State of Hawaii

Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:* #B21 63, #D2, SDI			Da 3/	te: 27/08	
The committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)		1			
TSUTSUI, Shan S. (VC)		1			
CHUN OAKLAND, Suzanne		1			
ENGLISH, J. Kalani					/
FUKUNAGA, Carol		,			
HOOSER, Gary L.					
INOUYE, Lorraine R.					
KIM, Donna Mercado					
MENOR, Ron	***************************************				
TOKUDA, Jill N.		/			
HEMMINGS, Fred			N. 1000 - N. 17 1000 N. 10 1 1000 N. 1000	15. a	
WHALEN, Paul					
TOTAL		11	Ø	U	/
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

*Only one measure per Record of Votes