

Honolulu, Hawaii

MAR 19 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 Education, to which was referred H.B. No. 2163, H.D. 2, 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 proposed payments of \$10,000 or more.

Testimony in support of the measure was submitted by the University of Hawai'i System.

Your Committee finds that the University of Hawaii is currently required to preaudit all proposed payments to determine the propriety of expenditures and compliance with applicable laws, executive orders, and rules as may be in effect. Contrarily, the Department of Accounting and General Services is not so required, but must only preaudit payments of \$10,000 or more. This measure limits the University of Hawaii's duty to preaudit payments to those totaling \$10,000 or more. Your Committee believes that the time and resources necessary for the University of Hawaii to fulfill its current duty is unduly taxing on the system and that this change will allow the University to more efficiently and effectively utilize its resources to focus on preaudits that may require increased examination.



Your Committee has amended this measure by including language to preserve changes made by this measure to section 40-1(b), Hawaii Revised Statutes, when that section is repealed and reenacted pursuant to Act 306, Session Laws of Hawaii 2006.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2163, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2163, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Education,



NORMAN SAKAMOTO, Chair



