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TESTIMONY
OF
RUSS K. SAITO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
LEGISLATIVE MANAGEMENT
ON
March 19, 2008

S.B. 2824, S.D. 2, H.D. 1

RELATING TO PROCUREMENT

Chair Magaoay and members of the Committee, thank you for the opportunity to testify on S.B. 2824, S.D. 2, H.D. 1.

The Department of Accounting and General Services (DAGS) opposes this bill for two reasons. First, on page 2, line 14 to page 3, line 8 it prescribes audits for the Procurement Policy Board for which the Procurement Policy Board has asked the State Procurement Office to develop guidelines. In addition, this bill, on page 3 lines 1-7 prescribes audits based on individual procurements which the Procurement Policy Board does not, by its charter, perform.

The second reason why DAGS opposes this bill is because while it directs "the auditor to conduct a compliance, performance, and management audit of Chapter 103D, Hawaii Revised Statutes, and the administrative rules adopted pursuant to Chapter 103D", it focuses entirely on the State Procurement Office and executive branch agencies. It excludes, on page 5 lines 18 - 20, the legislature, judicial branch, Office of

Hawaiian Affairs and the counties. This is discriminatory and excludes from review, most of the agencies that are subject to the Code.

DAGS recommends that this part of the bill be deleted.

Thank you for the opportunity to testify on this matter.