

STAND. COM. REP. NO.

1407

Honolulu, Hawaii

APR 17 2009

RE: S.C.R. No. 98

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committees on Ways and Means and Transportation,
International and Intergovernmental Affairs, to which was referred
S.C.R. No. 98 entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO
CONDUCT A MANAGEMENT AUDIT OF THE DEPARTMENT OF
TRANSPORTATION FOR THE PURPOSE OF DETERMINING WHETHER
APPROPRIATIONS ARE BEING APPROPRIATELY EXPENDED AND FEES OWED
ARE COLLECTED AND ACCOUNTED FOR ACCURATELY,"

beg leave to report as follows:

The purpose of this measure is to request the Auditor to
conduct a management audit of the Department of Transportation.

The management audit would determine whether:

- (1) Legislative appropriations are efficiently administered
by the Department for its intended purposes;
- (2) State contracts are properly awarded by the Department
and include adequate safeguards; and
- (3) Fees and other charges assessed by the Department are
collected and accounted for accurately.

Your Committees find that serious concerns have arisen
regarding the Department of Transportation's management of state
funds. Your Committees also find that financial audits of the
Airports Division and Harbors Division of the Department of
Transportation have revealed significant deficiencies in

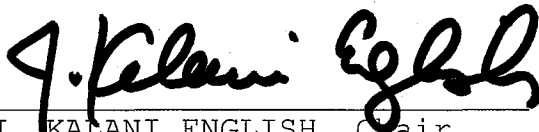
SCR98 SSCR LRB 09-3496-1.doc



procurement processes and compliance with laws and regulations regarding accounting practices and internal controls. Following the Department of Transportation's failure to adequately prepare for and address the concerns raised in this measure at a public hearing on April 8, 2009, the Chair of your Committee on Ways and Means sent a letter to the Director of Transportation requesting that the Department provide detailed information to address these issues. Until these concerns are adequately addressed, your Committees believe that a management audit of the Department of Transportation is appropriate and necessary.

As affirmed by the records of votes of the members of your Committees on Ways and Means and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 98 and recommend its adoption.

Respectfully submitted on
behalf of the members of the
Committees on Ways and Means
and Transportation,
International and
Intergovernmental Affairs,



J. KALANI ENGLISH, Chair

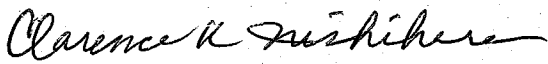


DONNA MERCADO KIM, Chair



The Senate
 Twenty-Fifth Legislature
 State of Hawaii

Record of Votes
Committee on Transportation, International and Intergovernmental Affairs
TIA

Bill / Resolution No.:* SCR 98	Committee Referral: WAM/TIA	Date: 4-8-09		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
ENGLISH, J. Kalani (C)	✓			
GABBARD, Mike (VC)				✓
ESPERO, Will				✓
NISHIHARA, Clarence K.	✓			
SLOM, Sam	✓			
TOTAL	3	—	—	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> 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