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H.B. NO. 369

A Bill for an Act Relating to Audit and Accounting.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The purpose of this Act is to clarify the voucher require-

ments of chapter 40, Hawaii Revised Statutes, by the use of current terminology in those sections of the chapter where clarification is needed in the audit and accounting of the financial transactions of the State government.

SECTION 2. Section 40-3, Hawaii Revised Statutes, is amended to read:

“Sec. 40-3 Bookkeeping. The comptroller shall keep a complete set of double entry books in which he shall open or cause to be opened all government accounts, and for the several amounts as shown by the appropriation bill, or any other appropriation that may be at any time made by the legislature, and he shall record his daily business transactions in detail therein. He shall also keep ledgers in which he shall open, arrange, and keep in a methodical and systematic manner the various state accounts so that the status and condition of all funds and appropriations, of all assets and liabilities, and for all income and expenditures of the State may at any time be ascertained and known; and further, he shall keep books to be known as the warrant registers showing the warrants drawn. The warrants are to be numbered from one up to the number required for the current fiscal period, and in the form as shown in section 40-52, and all such other auxiliary books as he may deem necessary for a correct and proper administration of his office. He shall also keep on file in a convenient form for easy reference all original warrant vouchers for which warrants have been drawn by him, and the original warrant vouchers shall have endorsed thereon the number of the warrant by which they were paid, the date of the warrant, the appropriation to which they were debited, and the amount.”

SECTION 3. Section 40-56, Hawaii Revised Statutes, is amended to read:

“Sec. 40-56 Warrants for supplies, incidentals. Warrants for bills of materials, supplies, and incidentals of every kind and character, shall be made payable to the order of each individual person to whom the State is indebted, except as provided in section 40-58, and only after an original warrant voucher shall have been presented to the comptroller accompanied by all original bills and any other supporting document as may be required by the comptroller. The original warrant voucher shall have indorsed thereon the approval of the officer in whose department the liability or expense has been incurred, and the appropriation to which it is chargeable; and further, each original bill shall be specially certified to by the subordinate officer of the State directly incurring the liability or expense that all the materials, supplies, and incidentals have been received in good order and condition.”

SECTION 4. Section 40-57, Hawaii Revised Statutes, is amended to read:

“Sec. 40-57 Warrants on account of contracts. All warrants for bills on account of state contracts shall be made payable to the order of the person to whom the State is directly indebted, except as provided in section 40-58, and only after an original warrant voucher shall have been presented to the comptroller accompanied by all original bills and any other supporting document

as may be required by the comptroller. The original warrant voucher shall have indorsed thereon the approval of the officer in whose department the contracts have been made, and the appropriation to which it is chargeable; and further, each original bill shall be specially certified to by the subordinate officer of the State supervising the work performed, or receiving the materials and supplies as specified in the contracts, that the work has been faithfully performed and that the materials and supplies were in a good and merchantable condition when received. No warrant shall be issued unless a copy of the contract or bid shall have been filed with the comptroller, together with a statement by the head of the department or agency that made the contract or accepted the bid, naming the appropriation to which the contract or bid is to be chargeable."

SECTION 5. Section 40-60, Hawaii Revised Statutes, is amended to read:

"Sec. 40-60 Vouchers required; procedure if not obtainable. The comptroller shall not recognize any claim of whatsoever nature unless an original warrant voucher is presented for the same. No warrant shall be issued in payment for any claim except upon proper indorsement of the warrant voucher, notwithstanding any allegation of papers having been lost or destroyed, or of the impossibility of obtaining the prescribed original warrant voucher, so that it could not reasonably be obtained, except on application to one of the justices of the supreme court at chambers, who, after summoning the comptroller, and other persons he may think fit, may, upon evidence satisfactory to him that the requisite papers have been lost or destroyed, or that it is impossible or impracticable to procure them, prescribe a form of warrant voucher, which, bearing the approval of the justice, shall then be received by the comptroller and filed as in this chapter provided. All substitute warrant vouchers shall be considered binding on the State and all other parties."

SECTION 6. Section 40-61, Hawaii Revised Statutes, is amended to read:

"Sec. 40-61 Procedure when voucher defective. When an original warrant voucher produced for a claim is defective from the want of any certificate or other document which ought to have accompanied it, the comptroller may, upon proof being made to his satisfaction that the public accountant did not willfully neglect to procure the certificate, or document, and that the sum specified in the warrant voucher has been actually and properly incurred as a State liability, admit the warrant voucher as sufficient evidence of liability, and allow the amount to be paid."

SECTION 7. Section 40-91, Hawaii Revised Statutes, is amended to read:

"Sec. 40-91 Appeal from comptroller to supreme court justices. In case of any question or difference of opinion arising between the comptroller and any officer of the State regarding the proper appropriation to which any item or amount of expense is charged, or any other matter regarding the construction of this chapter or the authority vested in either of them by this chapter,

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and in all cases where a claim is disallowed by the comptroller in consequence of the absence of an original warrant voucher, or upon an imperfect warrant voucher or an incorrect certificate, or if any person feels aggrieved by any decision of the comptroller, in the rejection or the surcharge of the returns or refusal to approve or allow any demand presented by the person, any of the persons concerned may appeal from the decision to the justices of the supreme court, who after such investigation as by them is considered equitable, may make such order directing the relief of the appellant in whole or in part as appears to the justices to be just and reasonable, and the decision of the justices shall be final and binding upon all parties, and they shall govern themselves accordingly. If the demand of the officer, bill, claim of any person, or the return of any public accountant is approved, in whole or in part by the justices, they shall so indorse their findings on the same and it shall thereafter be presented to the comptroller, who shall enter it in the proper book in like manner as other demands and indorsement shall be made by the comptroller of its having been so entered before it can be paid.”

SECTION 8. Statutory material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material or the underscoring.*

SECTION 9. This Act shall take effect upon its approval.

(Approved May 10, 1975.)

*Edited accordingly.