

Honolulu, Hawaii

APR 23 2021

RE: S.B. No. 332
S.D. 2
H.D. 2
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 332, S.D. 2, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PREAUDIT PAYMENTS,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to temporarily amend for one year the powers and duties of the Comptroller to reduce the preaudit requirements of all proposed payments to expenditures.

Your Committee on Conference finds that the State's forty-five-year-old accounting software system is a dated processing system that requires substantial human intervention and paper processing because it was not designed with automated checks and balances embedded in the programming methodology. Your Committee on Conference further finds that updating the preaudit process for proposed payments can help the State provide more effective, efficient, and expeditious services to the public. Your Committee



on Conference notes that the new Financial Management System project, which will replace the outdated manual process, will also help preserve and strengthen the integrity of the Comptroller's pre-audits and post-audits.

Your Committee on Conference has amended this measure by:

- (1) Allowing the Comptroller to preaudit proposed payments that are less than \$100,000;
- (2) Requiring the Comptroller to preaudit proposed payments of expenditures of \$100,000 or more;
- (3) Changing the effective date to July 1, 2021 and inserting a sunset date of July 1, 2024; and
- (4) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 332, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 332, S.D. 2, H.D. 2, C.D. 1.


Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



ANGUS L.K. MCKELVEY
Co-Chair



SHARON MORIWAKI
Chair



TINA WILDBERGER
Co-Chair



DRU KANUHA
Co-Chair



Hawai'i State Legislature

CR 132

Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: SB 332, SD 2, HD 2	Date/Time: 4/21/21 10:10 AM
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
MORIWAKI, Sharon Y., Chr.	✓				MCKELVEY, Angus L.K., Co-Chr.	✓			
KANUHA, Dru Mamo, Co-Chr.	✓				WILDBERGER, Tina, Co-Chr.	✓			
CHANG, Stanley	✓				WARD, Gene	✓			
TOTAL	3				TOTAL	3			

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature:
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