

Honolulu, Hawaii

FEB 18 2021

RE: S.B. No. 332
S.D. 1

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

Sir:

Your Committee on Government Operations, to which was referred S.B. No. 332 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to amend the powers and duties of the Comptroller to reduce the preaudit requirements of all proposed payments to expenditures by:

- (1) Increasing the minimum dollar amount of payments to be preaudited from \$10,000 to \$100,000; and
- (2) Allowing, rather than requiring, the Comptroller to preaudit proposed payments of expenditures below \$100,000.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services.

Your Committee 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 notes that the increased delegation of authority to the departments by this measure will also place additional responsibility for

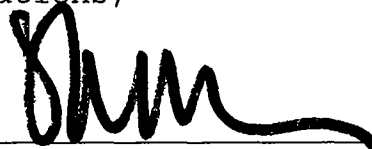


compliance and accuracy at the department level. According to testimony received by your Committee, thorough and accurate transaction information submitted to the Department of Accounting and General Services is processed expeditiously by the following business day. Your Committee further finds that updating the preaudit process for proposed payments can help the State provide more effective, efficient, and expeditious services to the public. Your Committee further notes that the new Financial Management System project, which will replace the outdated manual process, will also help preserve and strengthen the integrity of the Comptroller's pre-audits and post-audits.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 has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 332, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 332, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Government
Operations,

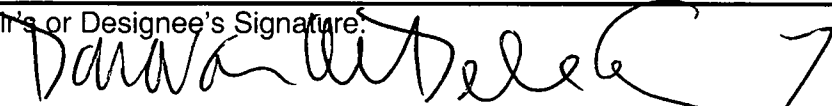


SHARON MORIWAKI, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Government Operations
GVO

Bill / Resolution No.:* SB 332	Committee Referral: GVO, WAM	Date: 8/9/21		
<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 type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
MORIWAKI, Sharon Y. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
CHANG, Stanley	/			
GABBARD, Mike	/			
FEVELLA, Kurt	/			
TOTAL	5			
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