

COUNCIL OF THE COUNTY OF MAUI
WATER RESOURCES COMMITTEE

July 24, 2015

Committee
Report No. _____

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Water Resources Committee, having met on July 1, 2015, makes reference to County Communication 15-69, from the County Auditor, transmitting the Department of Water Supply's "FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION WITH INDEPENDENT AUDITOR'S REPORT" for Fiscal Years 2013 and 2014 ("Report"), prepared by the County's independent auditor, N&K CPAs, Inc. ("Independent Auditor").

Your Committee notes the Report includes the Independent Auditor's review of the Department's financial statements. Your Committee further notes the Independent Auditor stated in the Report the financial statements present the Department's financial position fairly and in accordance with accounting principles generally accepted in the United States.

Your Committee noted the Report included finding related to insufficient security policies for software systems access. A representative of the Department explained the Board of Water Supply of the City and County of Honolulu by agreement is charged with the Department's billing system security. The representative said the Department is in the process of establishing its own billing system and will implement improved security access in the new system.

Your Committee questioned the past due water bill allowance of \$224,400 in the "Notes to Financial Statement" section of the Report. A representative of the Department stated the allowance did not reflect actual past due bills, but allowed for such an amount.

Your Committee was satisfied with the findings in the Report.

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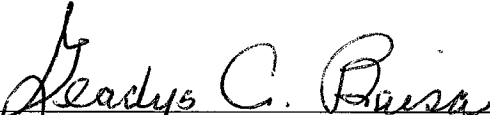
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Your Committee voted 7-0 to recommend filing of the communication. Committee Chair Baisa, Vice-Chair Victorino, and members Carroll, Cochran, Couch, Crivello, and White voted "aye."

Your Water Resources Committee RECOMMENDS that County Communication 15-69 be FILED.

This report is submitted in accordance with Rule 8 of the Rules of the Council.



GLADYS C. BAISA, Chair

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