

COUNCIL OF THE COUNTY OF MAUI
BUDGET AND FINANCE COMMITTEE

December 3, 2004

Committee
Report No.

04-208

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

Chair and Members:

Your Budget and Finance Committee, having met on November 17, 2004, makes reference to County Communication No. 04-201, from the Council Chair, referring the matter relating to the contracting of a certified public accountant or firm of certified public accountants to perform independent annual financial audits for the County, pursuant to Section 9-13 of the Charter of the County of Maui (Charter).

Your Committee notes that a Request for Proposals (RFP) for the financial audits for the Fiscal Years (FY) 2005, 2006 and 2007 was advertised in the October 1, 2004 issue of *The Maui News* in accordance with Section 103D-303, Hawaii Revised Statutes.

Your Committee further notes that the RFP specified that the contract would be written for FY 2005 with two optional years. The RFP includes the Comprehensive Annual Financial Audit Report, the Federal Single Audit, and the Department of Water Supply Financial Audit.

At its meeting, your Committee met with the Director of Council Services and the First Deputy Corporation Counsel.

The Director of Council Services presented an overview of the procurement process. He stated that proposals have been received in connection with the RFP. The Director explained that, according to the Administrative Rules issued by the State Procurement Office in the Department of Accounting and General Services, proposals from offerors may not be publicly disclosed until a contract is awarded for the audit. The purpose of confidentiality is to avoid disclosure of proposal contents to competing offerors during the selection process.

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The Director of Council Services informed your Committee that after review of the proposals in accordance with the Procurement Code and its Administrative Rules, he is ready to select an auditor.

The Director of Council Services stated that since the Charter specifies that the Council designate the auditor, your Committee should subsequently request that it be discharged from consideration of the matter to enable the full Council to designate the independent auditor.

The First Deputy Corporation Counsel stated that if your Committee had questions about specific proposals, the proposals should be reviewed in executive session in order to maintain confidentiality.

Your Committee voted to recommend that it be discharged of responsibility relating to the designation of an accounting firm to conduct the independent financial audits.

Your Budget and Finance Committee **RECOMMENDS** that it be **DISCHARGED** from further consideration of County Communication No. 04-201.

Adoption of this report is respectfully requested.

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