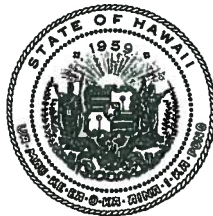


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NEIL ABERCROMBIE
GOVERNOR OF HAWAII



WILLIAM J. AILA, JR.
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ESTHER KIA'AINA
FIRST DEPUTY

WILLIAM M. TAM
DEPUTY DIRECTOR - WATER

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BUREAU OF CONVEYANCES
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CONSERVATION AND RESOURCES ENFORCEMENT
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FORESTRY AND WILDLIFE
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KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

March 8, 2013

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

**APPROVAL TO PROCEED WITH THE FINANCIAL AUDIT
OF THE DEPARTMENT'S PROGRAMS**

The Department of Land and Natural Resources (DLNR) provides interested parties with audited financial statements reflecting our annual financial activities and offering assurance that all expenditures and revenues have been accounted for in accordance with state laws, rules and regulations, and policies and procedures. Audited financial statements can also serve as a tool to help DLNR improve management of its operations and accounting procedures.

In addition, DLNR has numerous revenue generating programs that mandate the Department to be responsible to specific user groups. Audited financial statements will provide the accountability and transparency expected by these user groups. We therefore are in need of the services of a certified public accountant (CPA) to assist in the compilation of our annual financial statements and to perform an audit of our department.

Our current three year contract for audit services ended with the fiscal year ending June 30, 2012. DLNR needs to procure audit services for the fiscal year ending June 30, 2013, with an option to extend for two additional twelve-month periods, upon mutual agreement. The cost of these services will be funded by the Department's general and/or special operating funds.

RECOMMENDATION:

That the Board authorizes the Chairperson to proceed with the procurement of CPA services to conduct financial audits of our department.

Respectfully submitted,
Juliet Kazanjian
Juliet Kazanjian
Fiscal Management Officer

APPROVED FOR SUBMITTAL:

William J. Aila, Jr.
William J. Aila, Jr., Chairperson