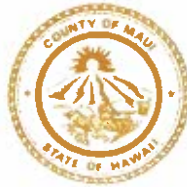


RICHARD T. BISSEN, JR.
Mayor

MARCY MARTIN
Director

MARIA E. ZIELINSKI
Deputy Director



DEPARTMENT OF FINANCE
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov

June 30, 2025

Honorable Richard T. Bissen, Jr.
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL



Mayor 6-30-25
Date

For Transmittal to:

Honorable Yuki Lei K. Sugimura, Chair
Budget, Finance, and Economic Development Committee
Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Sugimura:

**SUBJECT: ANNUAL COMPREHENSIVE FINANCIAL REPORT, SINGLE
AUDIT REPORTS, AND DEPARTMENT OF WATER
SUPPLY'S FINANCIAL AUDIT REPORTS (BFED-20(11))**

Pursuant to your letter dated June 23, 2025, regarding the Annual Comprehensive Financial Report, Single Audit Reports, and Department of Water Supply's Financial Audit Reports, below are the responses to the following:

1. The corrective action plan identifies staffing as a primary cause of the repeat material weaknesses.
 - a. Are staffing limitations the sole cause or have other underlying issues been identified?

Response: Regarding the FY2024 Financial Statement Findings and the County's only, non-repeat material weakness, staffing is currently the main cause. Once hired,

the Countywide Grant Compliance Manager will be able to assist with the review of grant compliance issues and related financial transactions which will increase the accuracy of the Single Audit.

- b. What specific actions have been taken to correct these deficiencies?

Response: Additional time for more thorough reviews of year-end entries will be implemented.

- c. What is the plan and timeline to resolve staffing concerns?

Response: The Division has been actively recruiting for any vacant positions and will evaluate staffing needs to ensure areas of concerns are addressed. Additionally, the Division is in the process of hiring interns to assist with the workload for the short-term.

2. Are there other training, procedural, or structural challenges contributing to the recurring deficiencies?

Response: Staffing plays a large part in the recurring deficiencies as we currently do not have the capability to give divisional training and procedures the attention it deserves. Additionally, there has been more emphasis placed on financial reporting with more considerations and governmental standards (Governmental Accounting Standards Board) to implement.

3. Please describe how the corrective action plan is being monitored and what milestones are in place to track progress.

Response: Periodic reviews are conducted, to the extent possible, throughout the year. However, most of the review and analysis is completed during the audit process.

4. Do you anticipate similar findings in the FY2025 audit? Why or why not?

Response: While the division strives to minimize audit findings, the division anticipates findings similar (or repeat) to

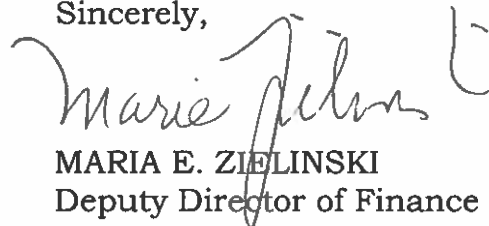
2024-002 Improve Controls over Financial Reporting. This is a broad finding and can encompass all recorded financial transactions.

5. How were unresolved weaknesses factored into the FY 2026 Budget and operating plan.

Response: The Department budgeted for TAT software that will address the issues identified in 2024-003. A Request for Proposal was sent in April 2025 and a vendor has now been selected. Given that filling vacant positions is our priority, there were no additional budget considerations factored into the FY 2026 budget and operating plan. However, the division plans to evaluate appropriate staffing levels and consider hiring consultants to assist in areas contributing to the weaknesses (i.e. training, policies and procedures, etc.).

Thank you for your attention to this matter. Should you have any questions, please feel free to contact me at extension 7722.

Sincerely,



MARIA E. ZIELINSKI
Deputy Director of Finance

MEZ:mms

BFED Committee

From: Estrelita B. Dahilig <Estrelita.B.Dahilig@co.maui.hi.us>
Sent: Monday, June 30, 2025 5:05 PM
To: BFED Committee; Maria E. Zielinski; Marcy L. Martin; Stacey M. Vinoray
Cc: Josiah K. Nishita; Erin A. Wade; Cynthia E. Sasada; Cynthia D. Lallo; Kelii P. Nahooikaika
Subject: TRANSMITTALS: Annual Comprehensive Financial Report, Single Audit Reports, and Department of Water Supply's Financial Audit Reports (BFED-20(11) and COUNTY BOND ISSUANCE FOR CALENDAR YEAR 2025
Attachments: MT#11108.BFED.Chair.Sugimura.Lei.pdf; MT#11109.BFED.Sugimura.Leipdf.pdf

Aloha,

Please see attached transmittals from Deputy Director of Finance, Maria E. Zielinski regarding the above subject matters.

Thank you and have a great day!

Mahalo,
Lita



Lita B. Dahilig

Secretary

County of Maui
Office of the Mayor
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