

# Auditor's Summary

## Financial and Compliance Audit of the O'ahu Metropolitan Planning Organization

Financial Statements, Fiscal Year Ended June 30, 2017



PHOTO: O'AHU METROPOLITAN PLANNING ORGANIZATION

***THE PRIMARY PURPOSE** of the audit was to form an opinion on the fairness of the presentation of the financial statements for the O'ahu Metropolitan Planning Organization (OMPO) as of and for the fiscal year ended June 30, 2017, and to comply with the requirements of Code of Federal Regulations, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Title 2, Part 200 (Uniform Guidance), which established audit requirements for state and local governmental units that receive federal awards. The audit was conducted by N&K CPAs, Inc.*

### About the Organization

**OMPO WAS ESTABLISHED** by agreement between the Governor of the State of Hawai'i and the Chairperson of the City Council of the City and County of Honolulu to serve as the decision making body responsible to carry out the continuing comprehensive and cooperative transportation planning and programming for the island of Oahu as required by federal law.

### Financial Highlights

**FOR THE FISCAL YEAR** ended June 30, 2017, OMPO reported total revenues of approximately \$1.4 million and total expenses of approximately \$1.4 million, resulting in no change in net position. Revenues consisted of \$1.1 million from federal grants and \$280,000 from state and city contributions.

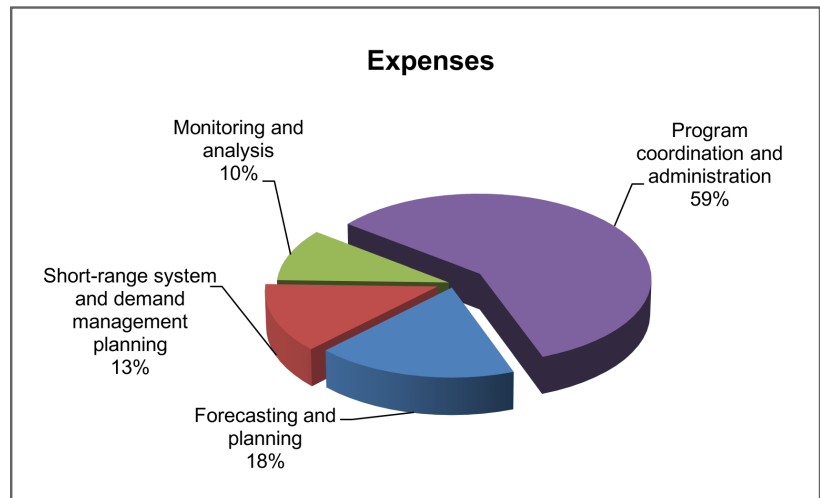
Total expenses consisted of \$255,000 for transportation forecasting and long-range planning, \$185,000 for short-range transportation system and demand management planning, \$144,000 for transportation monitoring and analysis, and \$821,000 for program coordination and administration.

As of June 30, 2017, total assets exceeded total liabilities by \$70,000. Total assets of approximately \$1.5 million included cash of \$729,000, receivables and other assets of \$794,000, and net capital assets of \$2,000. Total liabilities totaled approximately \$1.4 million.

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## Auditors' Opinions

**OMPO RECEIVED AN UNMODIFIED OPINION** that the financial statements were presented fairly, in all material respects, in accordance with generally accepted accounting principles. OMPO received a qualified opinion on its compliance with major federal programs in accordance with the *Uniform Guidance*.



## Findings

**THERE WERE FIVE SIGNIFICANT DEFICIENCIES** in internal controls over financial reporting that were required to be reported under *Government Auditing Standards*, and none of which were considered to be material weaknesses.

- Lack of formal procedures to assess risk associated with the accounting, grants management, and financial reporting areas;
- Lack of formal procedures over its financial reporting process;
- Appropriate documentation over a key spreadsheet used to summarize the allocation of costs to the appropriate grants was not maintained;
- Accounting, grants management, and financial reporting policies and procedures were not specific or not documented; and
- Recordkeeping to maintain accounts on accrual basis of accounting needs improvement.

The auditors identified one material weakness and two significant deficiencies in internal control over compliance that are required to be reported in accordance with the *Uniform Guidance*.

### Material Weakness

- Failure to perform and document subrecipient monitoring.

### Significant Deficiencies

- Lack of written policies and procedures over cost principles and terms of federal awards; and
- Untimely submission of the Single Audit reporting package to the Federal Audit Clearinghouse.

For the complete report and financial statements visit our website at:  
[http://files.hawaii.gov/auditor/Reports/2017\\_Audit/DOT\\_OMPO2017.pdf](http://files.hawaii.gov/auditor/Reports/2017_Audit/DOT_OMPO2017.pdf)

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