



Office of the Auditor
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Jan K. Yamane
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Constitutional Mandate

The Office of the Auditor, pursuant to Article VII, Section 10 of the Hawai'i State Constitution, is required to conduct post-audits of the transactions, accounts, program and performance of departments, offices and agencies of the State and its political subdivisions, and to certify to the accuracy of all financial statements issued by the respective accounting officers.

Financial Audit of the O'ahu Metropolitan Planning Organization

Financial Statements, Fiscal Year Ended June 30, 2014

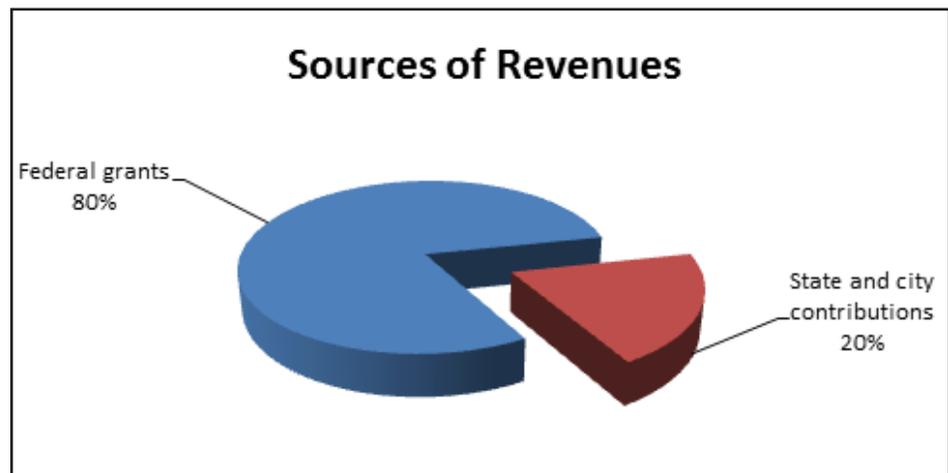
The primary purpose of the audit was to form an opinion on the fairness of the presentation of the financial statements for the O'ahu Metropolitan Planning Organization (OMPO), as of and for the fiscal year ended June 30, 2014, and to comply with the requirements of federal OMB Circular A-133, which established audit requirements for state and local governmental units that receive federal awards. The audit was conducted by Gilford Sato & Associates, CPAs, Inc.

About the Organization

The O'ahu Metropolitan Planning Organization was established in 1975 to serve in an advisory capacity to the State Legislature, the City and County of Honolulu City Council, and appropriate state and county agencies in carrying out continuing, comprehensive, and cooperative transportation planning and programming for the island of O'ahu as required by law.

Financial Highlights

For the fiscal year ended June 30, 2014, the OMPO reported total revenues of approximately \$1.53 million and total expenses of \$1.51 million, resulting in an increase in net position of \$20,000. Revenues consisted of \$1.22 million from federal grants and \$310,000 from state and city contributions.





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Auditors' Opinions

Financial Statements: **+**
Unmodified opinion

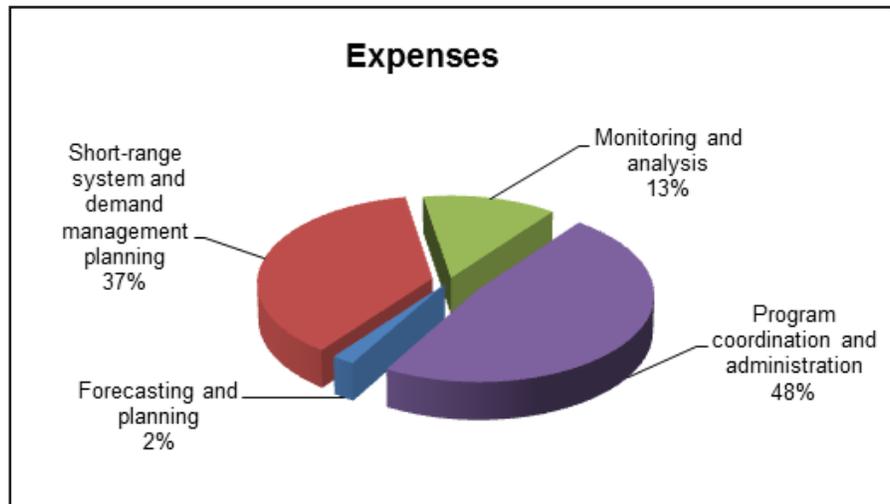
Federal Compliance: **-**
Qualified opinion

Issues of Concern

Material Weaknesses
8
Significant Deficiencies
0

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<http://auditor.hawaii.gov/>

Expenses included \$20,000 for transportation forecasting and long-range planning, \$550,000 for short-range transportation system and demand management planning, \$210,000 for transportation monitoring and analysis, and \$730,000 for program coordination and administration.



Total assets of the OMPO exceeded total liabilities by \$60,000. Of this amount, \$50,000 is unrestricted and may be used to meet ongoing expenses and obligations. Total assets of \$670,000 included cash of \$190,000, receivables of \$470,000, and net capital assets of \$10,000. Liabilities totaled \$610,000.

Auditors' Opinions

The OMPO received an unmodified opinion that the financial statements were presented fairly, in all material respects, in accordance with generally accepted accounting principles. The OMPO received a qualified opinion on its compliance with major federal programs in accordance with OMB Circular A-133.

Findings

There were six material weaknesses in internal control over financial reporting and no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*:

- The policy committee did not have quorum for a majority of its meetings.
- OMPO does not have code of conduct and conflict of interest policies.
- Management did not complete a risk assessment over its accounting, grants management, and financial reporting.
- OMPO's accounting, grants management, and financial reporting policies and procedures were not specific or not documented and were not reviewed and updated on a periodic basis (2).
- OMPO does not maintain appropriate documentation over a key spreadsheet that allocates and summarizes costs to various grants.

There were two material weaknesses in internal control over compliance:

- OMPO did not conduct any training on federal allowable/cost principles for key personnel involved with grants management.
- OMPO did not have a formalized documented sub-recipient monitoring process.

For the complete report and financial statements visit our website at:

http://files.hawaii.gov/auditor/Reports/2014_Audit/DOT_OMPO2014.pdf