



Highways Division Department of Transportation State of Hawaii

**Single Audit Reports
June 30, 2021**

**Submitted by
The Auditor
State of Hawaii**



COMPLIANCE AND INTERNAL CONTROL

Report of Independent Auditors on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Report of Independent Auditors on Compliance for Each Major Federal Program,
Report on Internal Control Over Compliance, and Report on Schedule of Expenditures
of Federal Awards Required by the Uniform Guidance

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Compliance and Internal Control



**Report of Independent Auditors on Internal Control Over Financial
Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

The Auditor
State of Hawaii

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Highways Division, Department of Transportation, State of Hawaii (the “Highways Division”) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Highways Division’s basic financial statements, and have issued our report thereon dated February 3, 2022.

Internal Control Over Financial Reporting


In planning and performing our audit of the financial statements, we considered the Highways Division’s internal control over financial reporting (“internal control”) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Highways Division’s internal control. Accordingly, we do not express an opinion on the effectiveness of Highways Division’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as Finding No. 2021-001 to be a material weakness.

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A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and questioned costs as Finding No. 2021-002 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Highways Division's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Highways Division's Response to Findings

The Highways Division's response to the findings identified in our audit is described in the accompanying corrective action plan. The Highways Division's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Highways Division's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Highways Division's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Accuity LLP

Honolulu, Hawaii
February 3, 2022



**Report of Independent Auditors on Compliance for Each Major
Federal Program, Report on Internal Control Over Compliance,
and Report on Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance**

The Auditor
State of Hawaii

Report on Compliance for Each Major Federal Program

We have audited the Highways Division, Department of Transportation, State of Hawaii (the “Highways Division”) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on Highways Division’s major federal program for the year ended June 30, 2021. The Highways Division’s major federal program is identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditors’ Responsibility

Our responsibility is to express an opinion on compliance for the Highways Division’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Highways Division’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal programs. However, our audit does not provide a legal determination of the Highways Division’s compliance.

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Opinion on Each Major Federal Program

In our opinion, the Highways Division complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as Finding Nos. 2021-003 and 2021-004. Our opinion on each major federal program is not modified with respect to these matters.


The Highways Division's response to the noncompliance finding identified in our audit is described in the accompanying corrective action plan. The Highways Division's responses were not subject to the auditing procedures applied in the audit of compliance and, accordingly we express no opinion on the responses.

Report on Internal Control over Compliance

Management of the Highways Division is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Highways Division's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Highways Division's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did



not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify deficiencies in internal control over compliance , described in the accompanying schedule of findings and questioned costs as Finding Nos. 2021-003 and 2021-004 that we consider to be significant deficiencies.

The Highways Division's response to the internal control over compliance finding identified in our audit is described in the accompanying corrective action plan. The Highways Division's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities and each major fund of the Highways Division as of and for the year ended June 30, 2021, and the related notes to financial statements, which collectively comprise the Highways Division's basic financial statements. We issued our report thereon dated February 3, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. As described in Note 2 to the schedule of expenditures of federal awards, the accompanying schedule of expenditures of federal awards was presented on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Accuity LLP

Honolulu, Hawaii
April 8, 2022

Schedule of Expenditures of Federal Awards

Highways Division
Department of Transportation
State of Hawaii
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal AL Number	Federal Expenditures	Provided to Subrecipients
U.S. Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	\$ 180,507,493	\$ 35,588,940
Highway Infrastructure Programs/HIP (CRRSAA)			
Statewide – COVID Relief – Highway Revenue Bond			
Debt Service Payment	20.205	35,815,490	-
Hon State – COVID Relief – Oahu District			
Maintenance Labor Payment	20.205	6,155,308	-
Total Highway Planning and Construction Cluster		<u>222,478,291</u>	<u>35,588,940</u>
Federal Motor Carrier Safety Assistance Cluster			
National Motor Carrier Safety Program			
Assistance Program Grant	20.218	220,500	-
Highway Safety Cluster			
State and Community Highways Safety	20.600	1,525,453	1,310,538
National Priority Safety Program	20.616	1,096,791	828,554
Total Highways Safety Cluster		<u>2,842,744</u>	<u>2,139,092</u>
Alcohol Open Container Requirements	20.607	1,205,141	939,385
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	804	804
Total expenditures of federal awards		<u>\$ 226,526,980</u>	<u>\$ 38,668,221</u>

See accompanying notes to the schedule of expenditures of federal awards.

Highways Division
Department of Transportation
State of Hawaii
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Highways Division, Department of Transportation, State of Hawaii (the "Highways Division") for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because the Schedule presents only a selected portion of the operations of the Highways Division, it is not intended to and does not present the financial position and changes in net position of the Highways Division.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The Highways Division has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

See accompanying independent auditors' report.

Schedule of Findings and Questioned Costs

Highways Division
Department of Transportation
State of Hawaii
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued	Unmodified	
Internal control over financial reporting		
• Material weakness(es) identified?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
• Significant deficiency(ies) identified?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> None reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards

Internal control over major programs		
• Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
• Significant deficiency(ies) identified?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> None reported
Type of auditors’ report issued on compliance for major programs	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Identification of major programs		

AL

Number	Name of Federal Program or Cluster
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20.205	Highway Planning and Construction Cluster
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20.607	Alcohol Open Container Requirements
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Dollar threshold used to distinguish between Type A and Type B programs	\$3,000,000
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Auditee qualified as low-risk auditee?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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Highways Division
Department of Transportation
State of Hawaii
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section II – Financial Statement Findings

Finding No. 2021-001: Internal Control Over Financial Reporting (Material Weakness)

Condition

During the audit we noted the following:

- The auditors proposed 26 adjusting journal entries and Highways provided an additional 25 client journal entries.
- During our audit, we identified approximately \$12,600,000 of costs accumulated as construction in progress for which no future benefit was determined to exist and accordingly, the recognition of a related impairment was proposed. The Division concurred with the proposed adjustment.

A similar finding was reported as a significant deficiency in the prior year as Finding No. 2020-001.

Criteria

The Committee of Sponsoring Organizations (“COSO”) of The National Commission on Fraudulent Financial Reporting (“Treadway Commission”) established an integrated framework for internal control, in which COSO notes that among other objectives, management is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. This internal control framework has been widely accepted and adopted by many organizations, including governments, and is considered the standard by which internal control should be evaluated. In addition, Standards for Internal Control in the Federal Government (known as the Green Book) notes that “A key factor in improving accountability in achieving an entity’s mission is to implement an effective internal control system. An effective internal control system helps an entity adapt to shifting environments, evolving demands, changing risks, and new priorities.”

Effect

Internal control policies and procedures that are no longer effective or are not properly performed increase the likelihood that financial statements may contain material misstatements.

Cause and View of Responsible Officials

It appears that the internal control policies and procedures are antiquated and may have fallen out of use. In addition, control procedures that require the performance of error or fraud detection procedures are not documented as to what was done and who approved the completed procedures.

Recommendation

We recommend that the Division perform a comprehensive review of its internal controls in accordance with the five elements of internal controls specified in the Green Book. In addition, an emphasis should be placed on the control activities element which should include policies and procedures that require documented (manual or electronic) reviews and approvals of accounting data before posting to any system or subsystem.

Highways Division
Department of Transportation
State of Hawaii
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Finding No. 2021-002: Internal Control Over Financial Reporting (Significant Deficiency)

Condition

Information technology ("IT") is a strategic element of the Department of Transportation Highways Division's ("Division's") operations. Because of the high volume of transactions in the Division, the establishment of internal controls over processes incorporating IT is critical to its operations. As part of our audit of the Division's basic financial statements as of and for the year ended June 30, 2021, we performed an IT general controls review of the following systems operated by the Department:

- HWYAC
- AS400

Our review identified IT control deficiencies in the areas of logical security and change management as follows:

Logical security

Procedures do not exist to maintain the effectiveness of authentication.

Change management

No formal change management policies and procedures exist.

Collectively, the number and nature of the IT control deficiencies resulted in an overall significant deficiency.

A similar finding was not reported in the prior year.

Criteria

When IT is used to initiate, record, process and report on transactions included in the financial statements, the systems and related processes should include internal controls to prevent or detect potential misstatements.

Effect

Internal controls in the areas of logical security and change management address the following risks:

Logical security

Unauthorized access to financial systems could result in the loss of data, unauthorized or nonexistent transactions being made or transactions being inaccurately recorded.

Change management

Unauthorized or untested changes promoted to the production environment could cause the financial systems to either process data differently than intended or unexpectedly compromise the integrity of the data maintained.

Highways Division
Department of Transportation
State of Hawaii
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Cause and View of Responsible Officials

The Division's IT policies and procedures do not include internal control procedures addressing the risks discussed above or are not being consistently followed.

Recommendation

We recommend that the Division perform the following:

Logical security

Work with the developer to implement effective authentication requirements.

Change management

Implement formal change management policies and procedures.

Highways Division
Department of Transportation
State of Hawaii
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section III – Federal Award Findings and Questioned Costs

		Questioned Cost
Finding No. 2021-003:	Cash Management (Significant Deficiency)	\$ _____ –
Federal Agency:	Department of Transportation, National Highway Traffic Safety Administration (“NHTSA”)	
AL Number and Title:	20.607 – Alcohol Open Container Requirements	
Award Number and Award Year:	2.5% of fund apportioned 2021 under 23 USC 104 (b)(1)-(2)	
Repeat Finding?	No	

Condition

Two of 32 disbursements to subrecipients were made more than 45 days after advances were received from NHTSA.

Criteria

Per 31 CFR §205.11, “A State and a Federal Program Agency must minimize the time elapsing between the transfer of funds from the United States Treasury and the State’s payout of funds for Federal assistance program purposes, whether the transfer occurs before or after the payout of funds. Disbursements should be made as soon as administratively possible.”

Per 2 CFR §200.305, pass-through entities must make payment within 30 calendar days after receipt of the billing by a subrecipient, unless the pass-through entity reasonably believes the request is improper.

Effect

There were two disbursements not made in accordance with federal requirements. Failure to comply with federal requirements may result in NHTSA no longer allowing the Division to obtain advances but require use of the reimbursement method.

Cause and View of Responsible Officials

The Division follows the guidance in the NHTSA GTS User’s Manual. However, due to oversight, the two subrecipient disbursements in question were not processed until 72 days after receipt of the federal funds advanced.

Recommendation

We recommend that the Division management reiterate to program personnel the policies and guidelines established in the NHTSA GTS User’s Manual, including processing and disbursing advances.

Highways Division
Department of Transportation
State of Hawaii
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

		Questioned Cost
Finding No. 2021-004:	Reporting (Significant Deficiency)	\$ _____ –
Federal Agency:	Department of Transportation, NHTSA	
AL Number and Title:	20.607 – Alcohol Open Container Requirements	
Award Number and Award Year:	2.5% of fund apportioned 2021 under 23 USC 104 (b)(1)-(2)	
Repeat Finding?	No	

Condition

The program passes through federal funding to the counties in the state of Hawaii. However, for all fiscal year 2021 subawards, required subaward information was not fully reported in the Federal Funding Accountability and Transparency Act Subaward Reporting System (“FSRS”) as required under the Federal Funding Accountability and Transparency Act (“FFATA”).

Criteria

Per FFATA, which codified in 2 CFR §170, recipients of grants or cooperative agreements are required to report first-tier subawards of \$30,000 or more to FSRS, including the following subaward information:

- Subawardee name
- Subawardee DUNS number
- Amount of subaward
- Subaward obligation/action date
- Subaward number
- Subaward project description

Effect

Failure to fully report required subaward information in FSRS may result in noncompliance with FFATA reporting requirements and limits the transparency of the use of federal funds awarded.

Cause and View of Responsible Officials

Division personnel overseeing this program thought another office within the Division performed the necessary subaward reporting. Program personnel plan to request access to FSRS and perform the necessary subaward reporting going forward.

Highways Division
Department of Transportation
State of Hawaii
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Recommendation

We recommend that the Division management reiterate federal requirements, including FFATA subaward reporting requirements, to all Division personnel working on federally funded programs. We recommend program personnel to obtain access to FSRS and perform the necessary subaward reporting.

DAVID Y. IGE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
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JADE T. BUTAY
DIRECTOR

Deputy Directors
ROSS M. HIGASHI
EDUARDO P. MANGLALLAN
PATRICK H. MCCAIN
EDWIN H. SNIFFEN

IN REPLY REFER TO:
HWY-SF 2.8126

April 8, 2022

Accuity LLP
999 Bishop Street, Suite 1900
Honolulu, Hawaii 96813

Subject: Response to the Financial Audit of the Highways Division, Department of
Transportation for the fiscal year ended June 30, 2021

Dear Accuity LLP:

Attached are the Highways Division's corrective action plans of the audit findings for the above-mentioned audit. We have also attached our comments on the status of prior audit finding.

We appreciate the opportunity to comment on the report.

If you have any questions, please contact Vanessa Y. Lau, Fiscal Management Officer, Highways Division at (808) 587-2251 or email at vanessa.y.lau@hawaii.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Tammy L. Lee".

Tammy L. Lee
Administrative Services Officer
Highways Division

Attachments

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

STATE OF HAWAII
Highways Division, Department of Transportation
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2020

Finding	Description	Classification	Status		Current Year Finding
			Resolved	Unresolved	
2020-001	Financial Reporting	Significant Deficiency		X	2021-001
2020-002	Reimbursement of Unallowable Costs	Significant Deficiency	X		
2020-003	Subrecipient Monitoring	Significant Deficiency	X		
2020-004	Subrecipient Cash Management	Significant Deficiency	X		

Corrective Actions Taken for Unresolved Findings

Finding No. 2020-001: Financial Reporting

In fiscal year 2021, Highways Division reconciled amounts recorded in HWYAC to amounts recorded in FAMIS monthly and we implemented the revised written procedures for Summary Warrant Vouchers, Journal Vouchers and Sub-Recipient Cash Management. We are currently updating/revising the written policies and procedures to enhance our year end closing and financial report process.

CORRECTIVE ACTION PLAN

STATE OF HAWAII
Highways Division, Department of Transportation
CORRECTIVE ACTION PLAN
June 30, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS

2021-001 – Internal Control Over Financial Reporting (Material Weakness)

Corrective Action Plan

Concur. The Highways Division will continue to update/revise and implement the written policies and procedure to perform a comprehensive review of its internal control in accordance with the five elements specified in the Green Book: (1) Control Environments, (2) Risk Assessment, (3) Control Activities, (4) Information and Communications, and (5) Monitoring. The control procedures and policies that required documentation and approval are being developed.

Person Responsible Vanessa Lau, Fiscal Management Officer, Staff Services
Tammy Lee, Administrative Services Officer, Staff Services

Anticipated Completion Date: December 31, 2022

2021-002 – Internal Control Over Financial Reporting (Significant Deficiency)

Corrective Action Plan

Concur. The Highways Division's current AS400 is limited and cannot accommodate special characters for logical security. The Division is currently working with a software consultant in developing and implementing a new SAP system, will address this authentication requirements. In addition, the Division will establish written procedures for change management for both AS400 and HWYAC to effectively communicate and document the work process among offices.

Person Responsible Destiny Brighter, System Accountant, Staff Services
Ashley Acedo, Information Technology Specialist, Highway-E
Vanessa Lau, Fiscal Management Officer, Staff Services
Tammy Lee, Administrative Services Officer, Staff Services

Anticipated Completion Date: December 31, 2022

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2021-003 – Cash Management (significant Deficiency)

Corrective Action Plan

Concur. The Highways Division will develop and implement a written policy and procedure to ensure compliance with the 30-day administratively possible period for making disbursements of federal funds.

Person Responsible	Minerva Caraang, System Accountant, Staff Services Vanessa Lau, Fiscal Management Officer, Staff Services Tammy Lee, Administrative Services Officer, Staff Services
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Anticipated Completion Date:	December 31, 2022
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2021-004 – Reporting (significant Deficiency)

Corrective Action Plan

Concur. The Highway Safety Section within the Highways Division will obtain access to FSRS and develop a new written procedures policy to upload subaward information for NHTSA-funded projects with subawards exceed \$30,000.

Person Responsible	Lianne Yamamoto, Highway Safety Specialist Karen Kahikina, Highway Safety Specialist Kari Benes, Highway Safety Manager
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Anticipated Completion Date:	December 31, 2022
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