RESOLUTION NO. 218 17**A RESOLUTION REQUESTING THE LEGISLATIVE AUDITOR TO PERFORM A FINANCIAL AND/OR PERFORMANCE AUDIT ON THE CASH HANDLING PROCEDURES OF THE MASS TRANSIT AGENCY IN FISCAL YEAR 2017-2018.**

WHEREAS, the mission of the Mass Transit Agency is to “provide safe, clean, convenient transportation services for the residents and visitors to the County of Hawai‘i”; and

WHEREAS, in Part I, Volume II, of the proposed operating budget, the Mass Transit Agency estimates a ridership of 900,000 passengers in fiscal year 2017-2018, and expects to collect \$960,000 in bus fares during that same time period; and

WHEREAS, Section 3-18(d)(2) of the Hawai‘i County Charter states that the duties of the independent Legislative Auditor include conducting or causing to be conducted “performance and/or financial audits of the funds, programs, services and operations of any county agency, executive agency, or program, as set forth by the legislative auditor in an annual audit plan that shall be transmitted to the county council and the mayor and filed with the county clerk as a public record”; and

WHEREAS, the Legislative Auditor has stated in the Audit Plan Principles section of its most recent audit plan that “the audit plan is a flexible and dynamic tool that can be amended throughout the year to reflect changing County risks and priorities”; and

WHEREAS, the most recent audit plan stated in its Planned Audit section that the Legislative Auditor would audit “cash handling and receipting” in certain departments throughout the County; and

WHEREAS, information disclosed about the Mass Transit Agency at the special meeting of the Council’s Finance Committee on April 13, 2017, and in articles published in West Hawai‘i Today and the Hawai‘i Tribune-Herald on April 25 and 30, 2017, respectively, raise reasonable questions about the security and accountability of cash handling procedures; and

WHEREAS, an audit of the cash handling procedures at the Mass Transit Agency will identify best practices for securing ride fares, guard against inadvertent or willful misappropriations of public funds, and provide assurances that proper procedures are being followed; now, therefore,


BE IT RESOLVED BY THE COUNCIL OF THE COUNTY OF HAWAI‘I that the Legislative Auditor is requested to include in its annual audit plan for fiscal year 2017-2018 a performance and/or financial audit of the Mass Transit Agency’s cash handling system.

BE IT FURTHER RESOLVED that such an audit shall not be initiated until after a permanent administrator for the Mass Transit Agency has been employed pursuant to Section 2-77 of the Hawai'i County Code 1983 (2016 Edition, as amended).

BE IT FINALLY RESOLVED that the County Clerk shall transmit a copy of this resolution to the Legislative Auditor.

Dated at Kona , Hawai'i, this 23rd day of June , 2017.

INTRODUCED BY:



 COUNCIL MEMBER, COUNTY OF HAWAI'I

COUNTY COUNCIL
 County of Hawai'i
 Hilo, Hawai'i

I hereby certify that the foregoing RESOLUTION was by the vote indicated to the right hereof adopted by the COUNCIL of the County of Hawai'i on June 23, 2017

ATTEST:

COUNTY CLERK CHAIRPERSON & PRESIDING OFFICER

ROLL CALL VOTE

	AYES	NOES	ABS	EX
CHUNG	X			
DAVID	X			
EOFF	X			
KANUHA	X			
LEE LOY	X			
O'HARA	X			
POINDEXTER			X	
RICHARDS			X	
RUGGLES	X			
	7	0	2	0

Reference: G-300/FC-21

RESOLUTION NO. **218 17**