



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

RICK SNYDER
GOVERNOR

KIRK T. STEUDLE
DIRECTOR

May 2, 2012

Mr. Doug Ringler, Director
Office of Internal Audit Services
State Budget Office
George W. Romney Building
111 South Capitol Avenue, 6th Floor
Lansing, Michigan 48909

Dear Mr. Ringler:

In accordance with the State of Michigan, Financial Management Guide, Part VII, Chapter 4, Section 100, enclosed is a summary table identifying our responses and corrective action plan to address the recommendations in the Office of the Auditor General's Performance Audit of the *Measurement of the State Highway Pavement Condition*. This Audit is covering the period of October 1, 2008 through June 30, 2011. The Office of Internal Audit Services, State Budget Office, approved distribution of the plan.

Questions regarding the summary table or corrective action plan should be directed to either David Wresinski, Director, Bureau of Transportation Planning, at 517-373-0343 or John T. Cotter, Commission Auditor, Office of Commission Audits, at 517-373-1500.

Sincerely,

Signature Redacted

 Kirk T. Steudle
Director

Enclosures

cc: Office of the Auditor General
House and Senate Appropriations Subcommittee on Transportation
House and Senate Transportation Committee
House and Senate Fiscal Agency

Performance Audit of the Measurement of State Highway Pavement Conditions
Michigan Department of Transportation
Corrective Action Plan
October 1, 2008 through June 30, 2011

1. **Audit Recommendations the agency has complied with:**

None

2. **Audit Recommendations the agency agrees with and will comply:**

FINDING

1. Quality Control and Quality Assurance of PASER Data Collection

RECOMMENDATION

We recommend that MDOT, in conjunction with TAMC, improve its quality control and quality assurance processes for its PASER ratings.

AGENCY RESPONSE

MDOT, in conjunction with TAMC, will improve its quality control and quality assurance processes for its PASER ratings. MDOT will establish new procedures to identify and correct anomalies in the PASER ratings by the beginning of the quality control effort in late September 2012.

FINDING

2. PASER Raters and Reimbursements

RECOMMENDATION

We recommend that MDOT, in conjunction with TAMC, verify that PASER raters are properly trained, obtain sufficient support for raters' expense reimbursements, and limit raters' expense reimbursements to amounts provided for in the State's standardized travel regulations.

AGENCY RESPONSE

MDOT, in conjunction with TAMC, will create a process that ensures the proficiency of the raters and the validity of reimbursements for collecting PASER rating data. By June 2012, MDOT will develop a process to help ensure that all PASER raters are properly trained.

Also, MDOT implemented a process for informing the regional and metropolitan planning organizations of the State's standardized travel regulations and for reviewing each reimbursement request to ensure compliance.

FINDING

3. Remaining Service Life (RSL)

RECOMMENDATION

We recommend that MDOT complete timely quality assurance reviews of distress data used to calculate RSL for the State trunkline system.

We also recommend that MDOT strengthen its overall process to estimate RSL and to assess the accuracy of those estimations.

AGENCY RESPONSE

MDOT has improved the timeliness of quality assurance reviews by modifying the handling of survey lane designation- and pavement-type data. Also, MDOT will implement a process to sample pavement surface distress when 2013 data is collected. The sampling process will then be utilized as part of each year's annual data collection.

MDOT will strengthen its overall process to estimate RSL and to assess the accuracy of those estimations. By January 2013, MDOT will evaluate the Fix Life Guidelines to determine if itemization by MDOT regions would be appropriate and will evaluate the level of the regions' review of RSL.

FINDING

4. Coordination of Data Collection Methods

RECOMMENDATION

We recommend that MDOT, in conjunction with TAMC, coordinate the rating of the State Trunkline system in a cost-effective and consistent manner to eliminate duplication of efforts.

AGENCY RESPONSE

MDOT will work in conjunction with TAMC to coordinate the rating of the State Trunkline system in a cost-effective and consistent manner to eliminate duplication of efforts. MDOT will initiate discussions with TAMC regarding this issue at the June 2012 TAMC meeting.

3. Audit Recommendations the agency disagrees with:

None

Performance Audit of the Measurement of State Highway Pavement Conditions
Michigan Department of Transportation
Summary of Agency Responses to Recommendations
October 1, 2008 through June 30, 2011

SUMMARY TABLE

1. Audit Recommendations the agency has complied with:

None

2. Audit Recommendations the agency agrees with and will comply:

1, 2, 3, 4

3. Audit Recommendations the agency disagrees with:

None