



Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit

*Administration of Act 51, P.A. 1951,
as Amended*

*Michigan Department of Transportation and
Department of Treasury*

Report Number:
591-0410-12

Released:
September 2012

The Michigan Transportation Fund, established by Act 51, P.A. 1951, as amended, is the depository for motor vehicle license revenue and gasoline tax revenue. After various statutory deductions and distributions, the revenue is distributed to the State (39.1%), to counties (39.1%), and to cities and villages (21.8%) for the construction, maintenance, and improvement of State highways, roads, and streets. Act 51 restricts the use of funds to road preservation, road maintenance, road construction, and snow removal.

Audit Objective:

To assess the effectiveness of the Michigan Department of Transportation's (MDOT's) and the Department of Treasury's efforts to monitor the use of transportation dedicated funds in compliance with Act 51, P.A. 1951, as amended.

Audit Conclusion:

We concluded that MDOT's efforts in monitoring the use of transportation dedicated funds in compliance with Act 51, P.A. 1951, as amended, were effective. We also concluded that the Department of Treasury's efforts in monitoring the use of transportation dedicated funds in compliance with Act 51, P.A. 1951, as amended, were not effective. We noted one material condition ([Finding 1](#)).

Material Condition:

The Department of Treasury did not conduct statutorily required performance audits of county road commissions, cities, and villages that received transportation dedicated funds ([Finding 1](#)).

Subsequent Event:

Subsequent to our audit fieldwork and prior to the release of this audit report, the Legislature passed and the Governor signed Act 298, P.A. 2012, effective August 23, 2012. Sections 12(21) and 13(12) of Act 298 assigned MDOT the responsibility to conduct performance audits of the disposition of all State funds received by counties, cities, and villages for transportation purposes to determine compliance with the Act.

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Audit Objective:

To assess the effectiveness of MDOT's efforts to ensure that transportation dedicated funds are allocated, distributed, and reported in compliance with Act 51, P.A. 1951, as amended.

Audit Conclusion:

We concluded that MDOT's efforts to ensure that transportation dedicated funds were allocated, distributed, and reported in compliance with Act 51, P.A. 1951, as amended, were effective. Our audit report does not include any reportable conditions related to this audit objective.

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Agency Response:

Our audit report contains 1 finding and 1 corresponding recommendation directed to the Department of Treasury. The Department of Treasury's preliminary response did not indicate agreement or disagreement but rather that, with the passage of Act 298, P.A. 2012, the recommendation was no longer applicable to the Department of Treasury.

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A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



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