



Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit

*Funding for Department Services Provided to
Local Units of Government
Michigan Department of Transportation*

Report Number:
591-0174-12

Released:
December 2012

The Michigan Department of Transportation (MDOT) receives appropriated funds from the Michigan Transportation Fund (MTF) for expenditures incurred for providing services that benefit local units of government. These services range from assistance with asset management to transportation planning. MDOT uses various allocation methodologies to charge the MTF for expenditures related to services provided to local units of government.

Audit Objective:

To assess the effectiveness of MDOT's efforts to allocate to the MTF the MDOT expenditures incurred for services provided to local units of government.

Audit Conclusion:

We concluded that MDOT's efforts to allocate to the MTF the MDOT expenditures incurred for services provided to local units of government were effective. However, we noted one reportable condition (Finding 1).

Reportable Condition:

MDOT had not developed formal procedures for allocating to the MTF the MDOT expenditures related to services provided to local units of government (Finding 1).

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Audit Objective:

To assess the effectiveness of MDOT's efforts to evaluate and monitor the appropriateness of MDOT expenditures allocated to the MTF for services provided to local units of government.

Audit Conclusion:

We concluded that MDOT's efforts to evaluate and monitor the appropriateness of MDOT expenditures allocated to the MTF for services provided to local units of government were effective. However, we noted one reportable condition (Finding 2).

Reportable Condition:

MDOT needs to request appropriations that are commensurate with the amount of expenditures incurred for the level of service efforts provided to local units of government or reduce such expenditures (Finding 2).

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Agency Response:

Our audit report contains 2 findings and 2 corresponding recommendations. MDOT's preliminary response indicates that it agrees with both recommendations.

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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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