



# MICHIGAN

OFFICE OF THE AUDITOR GENERAL

## AUDIT REPORT



THOMAS H. MCTAVISH, C.P.A.  
AUDITOR GENERAL

The auditor general shall conduct post audits of financial transactions and accounts of the state and of all branches, departments, offices, boards, commissions, agencies, authorities and institutions of the state established by this constitution or by law, and performance post audits thereof.

– Article IV, Section 53 of the Michigan Constitution

Audit report information can be accessed at:

*<http://audgen.michigan.gov>*



Michigan  
*Office of the Auditor General*  
**REPORT SUMMARY**

*Performance Audit*

*Office of Aeronautics*

*Michigan Department of Transportation*

Report Number:  
591-0190-11

Released:  
January 2012

*The Office of Aeronautics administers the State airport development program, which provides project management for the programming, planning, design, safety evaluation, and construction of airports. The Office of Aeronautics' responsibilities include providing overall administration and direction for aviation programs; assisting communities and aviation interests in aeronautical matters; providing air transportation services to State personnel; coordinating accounting and administration functions; inspecting public-use airports; and licensing and/or registering airports, flight schools, aircraft dealers, and aircraft.*

***Audit Objective:***

To assess the effectiveness of the Office of Aeronautics' efforts to comply with selected sections of the *Michigan Compiled Laws* and Michigan Department of Transportation (MDOT) policies and procedures.

***Audit Conclusion:***

We concluded that the Office of Aeronautics was moderately effective in its efforts to comply with selected sections of the *Michigan Compiled Laws* and MDOT policies and procedures. We noted one material condition (Finding 1) and one reportable condition (Finding 2).

***Material Condition:***

The Office of Aeronautics did not comply with the *Michigan Compiled Laws* and MDOT policies and procedures regarding the licensing and inspection of flight schools (Finding 1).

***Reportable Condition:***

The Office of Aeronautics did not prepare and submit statutorily required reports regarding revenues and expenditures to the Governor and did not prepare and submit statutorily required reports regarding airport loan program activity to the Legislature (Finding 2).

~ ~ ~ ~ ~ ~ ~ ~ ~ ~

***Audit Objective:***

To assess the effectiveness of the Office of Aeronautics' licensing functions for flight schools and general aviation airports.

***Audit Conclusion:***

We concluded that the Office of Aeronautics' licensing functions for flight schools and general aviation airports were moderately effective. We noted one reportable condition (Finding 3).

**Reportable Condition:**

The Office of Aeronautics did not have policies and procedures regarding its issuance, documenting, and monitoring of airport provisional licenses to ensure that airports operate in compliance with the *Michigan Compiled Laws* (Finding 3).

~ ~ ~ ~ ~

**Audit Objective:**

To assess the effectiveness of the Office of Aeronautics' efforts to provide services to pilots.

**Audit Conclusion:**

We concluded that the Office of Aeronautics' efforts to provide services to pilots were effective. However, we noted one reportable condition (Finding 4).

**Reportable Condition:**

The Office of Aeronautics had not developed a process to make information regarding known airport licensing deficiencies readily available to pilots (Finding 4).

**Noteworthy Accomplishments:**

The National Association of State Aviation Officials (NASAO) was established by the states in 1931 to ensure uniformity of safety measures; to standardize airport regulations; and to develop a truly national air transportation system responsive to local, state, and regional needs.

The manager of the Office of Aeronautics' Project Development Section was awarded the 2011 NASAO Distinguished Service Award. This award is the highest recognition that can be presented to state aviation agency employees for excellence in service and dedication to aviation progress and development in their states. The recipient was commended for effectively managing the Federal Aviation Administration's State Block Grant Program and reengineering the Statewide Pavement Management Program.

~ ~ ~ ~ ~

**Audit Objective:**

To assess the effectiveness of the Office of Aeronautics' governance of MDOT-owned airports.

**Audit Conclusion:**

We concluded that the Office of Aeronautics' governance of MDOT-owned airports was effective. Our audit report does not include any reportable conditions related to this audit objective.

~ ~ ~ ~ ~

**Agency Response:**

Our audit report contains 4 findings and 4 corresponding recommendations. MDOT's preliminary response indicates that it agrees with all 4 recommendations.

~ ~ ~ ~ ~

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>



Michigan Office of the Auditor General  
201 N. Washington Square  
Lansing, Michigan 48913

**Thomas H. McTavish, C.P.A.**  
Auditor General

**Scott M. Strong, C.P.A., C.I.A.**  
Deputy Auditor General



STATE OF MICHIGAN  
OFFICE OF THE AUDITOR GENERAL  
201 N. WASHINGTON SQUARE  
LANSING, MICHIGAN 48913  
(517) 334-8050  
FAX (517) 334-8079

THOMAS H. MCTAVISH, C.P.A.  
AUDITOR GENERAL

January 24, 2012

Mr. Jerrold M. Jung, Chair  
State Transportation Commission  
and  
Mr. Russ Kavalhuna, Chair  
Michigan Aeronautics Commission  
and  
Kirk T. Steudle, P.E., Director  
Michigan Department of Transportation  
Murray Van Wagoner Transportation Building  
Lansing, Michigan

Dear Mr. Jung, Mr. Kavalhuna, and Mr. Steudle:

This is our report on the performance audit of the Office of Aeronautics, Michigan Department of Transportation.

This report contains our report summary; description of agency; audit objectives, scope, and methodology and agency responses and prior audit follow-up; comments, findings, recommendations, and agency preliminary responses; and a glossary of acronyms and terms.

Our comments, findings, and recommendations are organized by audit objective. The agency preliminary responses were taken from the agency's responses subsequent to our audit fieldwork. The *Michigan Compiled Laws* and administrative procedures require that the audited agency develop a plan to comply with the audit recommendations and submit it within 60 days after release of the audit report to the Office of Internal Audit Services, State Budget Office. Within 30 days of receipt, the Office of Internal Audit Services is required to review the plan and either accept the plan as final or contact the agency to take additional steps to finalize the plan.

We appreciate the courtesy and cooperation extended to us during this audit.

Sincerely,

  
Thomas H. McTavish, C.P.A.  
Auditor General



## TABLE OF CONTENTS

### OFFICE OF AERONAUTICS MICHIGAN DEPARTMENT OF TRANSPORTATION

	<u>Page</u>
INTRODUCTION	
Report Summary	1
Report Letter	3
Description of Agency	6
Audit Objectives, Scope, and Methodology and Agency Responses and Prior Audit Follow-Up	7
COMMENTS, FINDINGS, RECOMMENDATIONS, AND AGENCY PRELIMINARY RESPONSES	
Compliance With Selected Sections of the <i>Michigan Compiled Laws</i> and MDOT Policies and Procedures	11
1. Flight School Licensing and Inspection	11
2. State Reporting Requirements	13
Licensing of Flight Schools and General Aviation Airports	14
3. Airport Provisional Licenses	15
Services Provided to Pilots	17
4. Communication of Known Airport Deficiencies to Pilots	17
Governance of MDOT-Owned Airports	18
GLOSSARY	
Glossary of Acronyms and Terms	20

## Description of Agency

The Office of Aeronautics was created in June 2011 as a result of reorganization within the Michigan Department of Transportation. The current responsibilities of the Office of Aeronautics were previously performed by the Bureau of Aeronautics and Freight Services. The reorganization moved the Freight Services Division component to the Office of High Speed Rail and renamed the Bureau of Aeronautics component as the Office of Aeronautics.

The Office of Aeronautics administers the State airport development program, which provides project management for the programming, planning, design, safety evaluation, and construction of airports. The Office of Aeronautics' responsibilities include providing overall administration and direction for aviation programs, assisting communities and aviation interests in aeronautical matters, providing air transportation services to State personnel, and coordinating accounting and administration functions with the Bureau of Finance and Administration. Also, the Office of Aeronautics is responsible for the enforcement of the Aeronautics Code of the State of Michigan (Sections 259.1 - 259.208 of the *Michigan Compiled Laws*) by inspecting public use airports and licensing and/or registering airports, flight schools, aircraft dealers, and aircraft.

In fiscal years 2008-09 and 2009-10, the Office of Aeronautics' expenditures totaled \$129 million and \$137 million, respectively. Also in fiscal years 2008-09 and 2009-10, the Office of Aeronautics' sources of funding were 92% and 88%, respectively, from the Federal Aviation Administration and 8% and 12%, respectively, from State aviation fuel taxes and other miscellaneous sources. As of June 30, 2011, the Office of Aeronautics had 40 classified employees.

## Audit Objectives, Scope, and Methodology and Agency Responses and Prior Audit Follow-Up

Our performance audit\* of the Office of Aeronautics, Michigan Department of Transportation (MDOT), had the following objectives:

1. To assess the effectiveness\* of the Office of Aeronautics' efforts to comply with selected sections of the *Michigan Compiled Laws* and MDOT policies and procedures.
2. To assess the effectiveness of the Office of Aeronautics' licensing functions for flight schools and general aviation airports\*.
3. To assess the effectiveness of the Office of Aeronautics' efforts to provide services to pilots.
4. To assess the effectiveness of the Office of Aeronautics' governance of MDOT-owned airports.

### Audit Scope

Our audit scope was to examine the program and other records of the Office of Aeronautics. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Our audit procedures, conducted from April through August 2011, generally covered the period October 1, 2008 through June 30, 2011.

### Audit Methodology

Our audit methodology included performing a preliminary survey of the Office of Aeronautics' operations to gain an understanding of its operations and to plan our audit. This included interviewing Office of Aeronautics' management and reviewing applicable statutes, administrative rules, policies and procedures, and Office of Aeronautics' activities and program records.

\* See glossary at end of report for definition.

To accomplish our first objective, we obtained and reviewed applicable sections of the *Michigan Compiled Laws* and MDOT policies and procedures. We accessed the Office of Aeronautics' records regarding flight school and general aviation airport inspections. We tested the records of all licensed flight schools and all licensed general aviation airports to determine compliance with applicable laws and regulations and policies and procedures established by MDOT. We reviewed and evaluated reports prepared by the Office of Aeronautics in addition to making inquiries of management.

To accomplish our second objective, we made inquiries regarding the *Michigan Compiled Laws* and MDOT policies and procedures related to issuing flight school and general aviation airport licenses. We reviewed and evaluated the Office of Aeronautics' records regarding issuing flight school and general aviation airport licenses.

To accomplish our third objective, we conducted research regarding information provided to pilots in other states and made inquiries to Office of Aeronautics' management.

To accomplish our fourth objective, we reviewed the individual agreements between MDOT and the MDOT-owned airport operators, made inquiries to Office of Aeronautics' management, and reviewed documentation provided by MDOT-owned airports.

When selecting activities or programs for audit, we use an approach based on assessment of risk and opportunity for improvement. Accordingly, we focus our audit efforts on activities or programs having the greatest probability for needing improvement as identified through a preliminary review. Our limited audit resources are used, by design, to identify where and how improvements can be made. Consequently, we prepare our performance audit reports on an exception basis. To the extent practical, we add balance to our audit reports by presenting noteworthy accomplishments for exemplary achievements identified during our audits.

#### Agency Responses and Prior Audit Follow-Up

Our audit report contains 4 findings and 4 corresponding recommendations. MDOT's preliminary response indicates that it agrees with all 4 recommendations.

The agency preliminary response that follows each recommendation in our report was taken from the agency's written comments and oral discussion subsequent to our audit

fieldwork. Section 18.1462 of the *Michigan Compiled Laws* and the State of Michigan Financial Management Guide (Part VII, Chapter 4, Section 100) require MDOT to develop a plan to comply with the audit recommendations and submit it within 60 days after release of the audit report to the Office of Internal Audit Services, State Budget Office. Within 30 days of receipt, the Office of Internal Audit Services is required to review the plan and either accept the plan as final or contact the agency to take additional steps to finalize the plan.

We released our prior performance audit of the Aviation Services Division and Airports Division, Multi-Modal Transportation Services Bureau, Michigan Department of Transportation (59-190-03), in November 2004. MDOT complied with 6 of the 8 prior audit recommendations. One prior audit recommendation was determined to be no longer applicable, and one was rewritten for inclusion in Finding 1 of this report.

COMMENTS, FINDINGS, RECOMMENDATIONS,  
AND AGENCY PRELIMINARY RESPONSES

## **COMPLIANCE WITH SELECTED SECTIONS OF THE *MICHIGAN COMPILED LAWS* AND MDOT POLICIES AND PROCEDURES**

### **COMMENT**

**Audit Objective:** To assess the effectiveness of the Office of Aeronautics' efforts to comply with selected sections of the *Michigan Compiled Laws* and Michigan Department of Transportation (MDOT) policies and procedures.

**Audit Conclusion:** We concluded that the Office of Aeronautics was moderately effective in its efforts to comply with selected sections of the *Michigan Compiled Laws* and MDOT policies and procedures. Our assessment disclosed one material condition\*. The Office of Aeronautics did not comply with the *Michigan Compiled Laws* and MDOT policies and procedures regarding the licensing and inspection of flight schools (Finding 1).

Our assessment also disclosed one reportable condition\* related to State reporting requirements (Finding 2).

### **FINDING**

#### **1. Flight School Licensing and Inspection**

The Office of Aeronautics did not comply with the *Michigan Compiled Laws* and MDOT policies and procedures regarding the licensing and inspection of flight schools. The Office of Aeronautics' compliance with the *Michigan Compiled Laws* and MDOT policies and procedures would help ensure the safety and well-being of flight school students.

Our review disclosed:

- a. The Office of Aeronautics had not documented its performance of the required initial inspection and follow-up inspections at three licensed flight schools. MDOT guidance document 10156 requires all flight schools to be inspected by a department inspector prior to being issued an initial license and at least once every three years thereafter.

\* See glossary at end of report for definition.

- b. The Office of Aeronautics did not complete flight school inspections within the three-year requirement mandated by MDOT guidance document 10156 for 50 (79%) of the 63 flight schools reviewed. The amount of time exceeding the three-year requirement was as follows:

Amount of Time In Excess of the Three-Year Inspection Requirement	Number of Flight Schools
6 months or less	3
Over 6 months to 1 year	1
Over 1 year to 3 years	12
Over 3 years to 5 years	26
Over 5 years	8

- c. The Office of Aeronautics could not provide documentation that two flight schools submitted evidence of local airport management approval for the current year. Section 259.85(10) of the *Michigan Compiled Laws* stipulates that a flight school operator shall obtain from airport management a written agreement to operate commercially from the airport at which the flight school is based.
- d. Five flight schools operated within the State with expired licenses during fiscal year 2010-11. Four schools had licenses that expired on December 31, 2010, and one school had a license that expired on December 31, 2009. The Office of Aeronautics failed to detect that these five schools had not submitted renewal applications and, therefore, they continued to operate as of July 2011. Section 259.85(1) of the *Michigan Compiled Laws* mandates that flight schools operating in the State be licensed on an annual basis.

### **RECOMMENDATION**

We recommend that the Office of Aeronautics comply with the *Michigan Compiled Laws* and MDOT policies and procedures regarding the licensing and inspection of flight schools.

## **AGENCY PRELIMINARY RESPONSE**

MDOT generally agrees with the audit finding and recommendation. MDOT informed us that the Office of Aeronautics will modify its processes and related internal control to help ensure that it complies with the *Michigan Compiled Laws* and MDOT policies and procedures regarding the licensing and inspection of flight schools.

## **FINDING**

### **2. State Reporting Requirements**

The Office of Aeronautics did not prepare and submit statutorily required reports regarding revenues and expenditures to the Governor and did not prepare and submit statutorily required reports regarding airport loan program\* activity to the Legislature. As a result, the Office of Aeronautics was not in compliance with the *Michigan Compiled Laws* and the Governor and the Legislature were not formally apprised of these issues.

Our review of State statutory reporting requirements related to the Office of Aeronautics disclosed:

- a. The Office of Aeronautics had not biennially submitted a summary of aeronautics operations for the two preceding fiscal years to the Governor as required by Section 259.32 of the *Michigan Compiled Laws*. This statute mandates the reporting of a statement of all revenues and expenditures made by or on behalf of the Michigan Aeronautics Commission.
- b. The Office of Aeronautics had not submitted information documenting the annual activity of the airport loan program to the Legislature at the end of each fiscal year. Section 259.254 of the *Michigan Compiled Laws* requires the Office of Aeronautics to report total funds available for loans, an itemization of loans made, and the repayment of loans and interest received.

\* See glossary at end of report for definition.

## **RECOMMENDATION**

We recommend that the Office of Aeronautics prepare and submit statutorily required reports regarding revenues and expenditures to the Governor and prepare and submit statutorily required reports regarding airport loan program activity to the Legislature.

## **AGENCY PRELIMINARY RESPONSE**

MDOT generally agrees with part a. of the finding. However, MDOT believes that the Office of Aeronautics has fully apprised the Office of the Governor through other reporting mechanisms and processes. For example, the State Aeronautics Fund is reported in the *State of Michigan Comprehensive Annual Financial Report*, which is issued by the State Budget Office on behalf of the Governor.

MDOT informed us that the Office of Aeronautics will biennially submit a summary of aeronautics operations for the two preceding fiscal years and a statement of all revenues and expenditures made by or on behalf of the Michigan Aeronautics Commission.

MDOT agrees with part b. of the finding. MDOT informed us that the Office of Aeronautics will work with the MDOT Bureau of Finance and Administration to develop and provide to the Legislature, at the end of each fiscal year, a report documenting the annual activity of the airport loan program.

## **LICENSING OF FLIGHT SCHOOLS AND GENERAL AVIATION AIRPORTS**

### **COMMENT**

**Audit Objective:** To assess the effectiveness of the Office of Aeronautics' licensing functions for flight schools and general aviation airports.

**Audit Conclusion:** We concluded that the Office of Aeronautics' licensing functions for flight schools and general aviation airports were moderately

**effective.** Our assessment disclosed one reportable condition related to airport provisional licenses\* (Finding 3).

## **FINDING**

### 3. Airport Provisional Licenses

The Office of Aeronautics did not have policies and procedures regarding its issuance, documenting, and monitoring of airport provisional licenses\* to ensure that airports operate in compliance with the *Michigan Compiled Laws*. As a result, the Office of Aeronautics lacked assurance that airports were properly licensed. Ensuring that airports are properly licensed would promote safety within the Statewide air transportation system.

Section 259.86 of the *Michigan Compiled Laws* requires airport licenses to be renewed annually. The Office of Aeronautics has elected January 1 as the due date each year for airport renewal applications to be submitted. The airports submit the renewal application along with required supporting documentation. The Office of Aeronautics performs assessments to determine if each airport has met the minimum licensing standards. These assessments include evaluating documentation submitted by the airport and considering any on-site inspections conducted. If the assessments determine that an airport has not met minimum licensing standards, the Office of Aeronautics may issue a provisional license or, in extreme instances, may revoke an airport's license.

We made inquiries regarding the issuance, documenting, and monitoring of provisional licenses issued to airports. Although policies and procedures regarding these issues were discussed during calendar year 2003, we determined that all recommended procedures were not implemented by the Office of Aeronautics.

Our review of the Office of Aeronautics' airport license records as of May 24, 2011 and June 30, 2011 disclosed:

- a. The Office of Aeronautics did not consistently maintain records or documentation to support the basis used to issue a regular license in place of a previously issued provisional license. Of the 10 airports that were issued provisional licenses as of May 24, 2011 and subsequently issued regular

\* See glossary at end of report for definition.

licenses on or before June 30, 2011, the Office of Aeronautics had not documented the basis used to issue regular licenses to 4 (40%) of these airports.

- b. The Office of Aeronautics could not provide records to support why two airports operated with provisional licenses as of May 24, 2011. The last documented airport inspection for both airports occurred during September and October 2009 and, as a result of these inspections, nothing was documented to indicate why a provisional license would be issued.
- c. The Office of Aeronautics did not document justification for the continued operation of airports with provisional licenses that exceeded the expiration dates on the licenses. As of May 24, 2011, we noted that 5 airport provisional licenses had expired; however, the airports continued to operate under their provisional licenses. There was no documentation indicating that the Office of Aeronautics had extended the expiration dates.
- d. Two airports were granted provisional licenses without expiration dates.
- e. The Office of Aeronautics did not document its follow-up of 10 provisional licenses issued in January 2011. As of May 24, 2011, 5 (50%) of the 10 provisional licenses, which were issued because the airport had not submitted an application or had submitted an incomplete application, did not have any documentation regarding the Office of Aeronautics' follow-up of the missing or incomplete applications.

### **RECOMMENDATION**

We recommend that the Office of Aeronautics establish policies and procedures regarding its issuance, documenting, and monitoring of airport provisional licenses to ensure that airports operate in compliance with the *Michigan Compiled Laws*.

### **AGENCY PRELIMINARY RESPONSE**

MDOT agrees with the audit finding and recommendation and informed us that the Office of Aeronautics will develop and establish the applicable policies and procedures.

## SERVICES PROVIDED TO PILOTS

### COMMENT

**Audit Objective:** To assess the effectiveness of the Office of Aeronautics' efforts to provide services to pilots.

**Audit Conclusion:** We concluded that the Office of Aeronautics' efforts to provide services to pilots were effective. However, we noted a reportable condition related to communication of known airport deficiencies to pilots (Finding 4).

**Noteworthy Accomplishments:** The National Association of State Aviation Officials (NASAO) was established by the states in 1931 to ensure uniformity of safety measures; to standardize airport regulations; and to develop a truly national air transportation system responsive to local, state, and regional needs.

The manager of the Office of Aeronautics' Project Development Section was awarded the 2011 NASAO Distinguished Service Award. This award is the highest recognition that can be presented to state aviation agency employees for excellence in service and dedication to aviation progress and development in their states. The recipient was commended for effectively managing the Federal Aviation Administration's State Block Grant Program and reengineering the Statewide Pavement Management Program.

### FINDING

#### 4. Communication of Known Airport Deficiencies to Pilots

The Office of Aeronautics had not developed a process to make information regarding known airport licensing deficiencies readily available to pilots. The development and implementation of such policies and procedures by the Office of Aeronautics could help enhance air transportation safety by supplementing the existing Notice to Airman\* system administered by the Federal Aviation Administration.

The mission\* of the Office of Aeronautics is to develop and preserve a high-quality Statewide air transportation system. The Office of Aeronautics is responsible for licensing public use airports on an annual basis, as well as performing on-site

\* See glossary at end of report for definition.

inspections at least once every three years. When airport inspections identify deficiencies, provisional licenses are issued to the airport operators. As such, pilot safety and timely communication to pilots are part of a high-quality air transportation system.

We identified methods used by other states to make this type of information available to pilots in a timely manner. For example, one state provides a link from its Internet web site to the actual inspection report for individual airports and another state provides the date of the last airport inspection. These methods allow pilots to research the airports that they plan to utilize for any potential safety concerns.

### **RECOMMENDATION**

We recommend that the Office of Aeronautics develop a process to make information regarding known airport licensing deficiencies readily available to pilots.

### **AGENCY PRELIMINARY RESPONSE**

MDOT agrees with the audit finding and recommendation. MDOT informed us that the Office of Aeronautics will continue to follow federal requirements pertaining to the notification to pilots of information that might affect pilots' decisions, plans, and actions. MDOT also informed us that the Office of Aeronautics will assess the feasibility of developing and efficiently implementing a process to make information regarding known airport licensing deficiencies more readily available to pilots.

## **GOVERNANCE OF MDOT-OWNED AIRPORTS**

### **COMMENT**

**Audit Objective:** To assess the effectiveness of the Office of Aeronautics' governance of MDOT-owned airports.

**Audit Conclusion:** We concluded that the Office of Aeronautics' governance of MDOT-owned airports was effective. Our audit report does not include any reportable conditions related to this audit objective.

# GLOSSARY

## Glossary of Acronyms and Terms

airport loan program	A program administered by the Michigan Aeronautics Commission for the purposes of making loans to counties, cities, townships, and incorporated villages, or any combination thereof, to assist in the construction and improvement of publicly owned airports and landing fields.
airport provisional license	A license that can be issued by the Office of Aeronautics when a deficiency is noted during an on-site airport inspection. It specifies a certain number of days for the deficiency to be corrected to comply with licensing standards. This type of license can also be issued when an airport does not submit all appropriate documentation during the annual airport renewal licensing process.
effectiveness	Success in achieving mission and goals.
general aviation airports	Airports other than "part 139" airports as defined by the <i>Code of Federal Regulations</i> (see definition of "part 139 airports").
material condition	A reportable condition that could impair the ability of management to operate a program in an effective and efficient manner and/or could adversely affect the judgment of an interested person concerning the effectiveness and efficiency of the program.
MDOT	Michigan Department of Transportation.
mission	The main purpose of a program or an agency or the reason that the program or the agency was established.
NASAO	National Association of State Aviation Officials.

Notice to Airman	The system administered by the Federal Aviation Administration that provides up-to-date information related to the National Airspace System. The Notice to Airman disseminates information on unanticipated or temporary changes to components of or hazards in the National Airspace System until the associated charts and related publications have been amended.
part 139 airports	Airports governed by Title 14, Part 139 of the <i>Code of Federal Regulations</i> , which requires the Federal Aviation Administration to issue operating certificates to airports that meet one of the three following criteria: (1) the airport serves scheduled and unscheduled air carrier aircraft with more than 30 seats; (2) the airport serves scheduled air carrier operations in an aircraft with more than 9 seats but less than 31 seats; (3) the Federal Aviation Administration administrator requires the airport to have a certificate.
performance audit	An economy and efficiency audit or a program audit that is designed to provide an independent assessment of the performance of a governmental entity, program, activity, or function to improve program operations, to facilitate decision making by parties responsible for overseeing or initiating corrective action, and to improve public accountability.
reportable condition	A matter that, in the auditor's judgment, is less severe than a material condition and falls within any of the following categories: an opportunity for improvement within the context of the audit objectives; a deficiency in internal control that is significant within the context of the objectives of the audit; all instances of fraud; illegal acts unless they are inconsequential within the context of the audit objectives; significant violations of provisions of contracts or grant agreements; and significant abuse that has occurred or is likely to have occurred.









