Michigan

Office of the Auditor General

REPORT SUMMARY

Performance Audit

Bureau of Regulatory Services

Department of State

Report Number:
23-220-01

Released:
October 2003

The mission of the Bureau of Regulatory Services (BRS) is to continuously improve the quality of vehicle repair services and practices, vehicle sales practices, vehicle maintenance for safety, and consumer protection and to fulfill mandates of law. BRS accomplishes its mission through the identification and licensing of vehicle dealers, repair facilities, mechanics, and salvage vehicle agents; the education of licensees and others; and the investigation of consumer complaints.

Audit Objective:
To determine the effectiveness and efficiency of BRS's licensing and regulation of vehicle dealers, repair facilities (including body shops), and mechanics.

Audit Conclusion:
We concluded that BRS was generally effective and efficient in its licensing and regulation of vehicle dealers, repair facilities (including body shops), and mechanics.

Noteworthy Accomplishments:
In an effort to help identify areas with the potential for improvements and efficiencies, the Department of State contracted for a review of BRS, in conjunction with the Bureau of Legal Services, and its processes and procedures. The final report contained a number of recommendations intended to help BRS minimize problems in its current environment as well as provide a superior level of customer service by reengineering BRS's business processes, information technologies, and organizations. The implementation of the recommendations resulted in two major changes. First, in January 1999, BRS reorganized and realigned staff so that all major business processes had an "owner" to allow for clear responsibility delineation and the associated authority to act promptly when necessary. Second, BRS implemented a new software package for the processing of initial license applications and renewals, including an automated case management tracking system.

Reportable Conditions:
BRS could make improvements regarding a continuous quality improvement process, vehicle dealer licensing fees, repair facility registration fees, dealer plate guidance and use, and certified mechanics at repair facilities (Findings 1 through 5).

Agency Response:
The agency preliminary responses indicated that BRS has taken steps to comply or will comply with all of the recommendations.

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Audit Objective:
To determine the effectiveness and efficiency of BRS's complaint investigation and resolution processes for vehicle dealers, repair facilities (including body shops), and mechanics.

Audit Conclusion:
We concluded that BRS was generally effective and efficient in its complaint investigation and resolution processes for vehicle dealers, repair facilities (including body shops), and mechanics.

To reach our conclusion, we reviewed BRS's procedures for obtaining, processing, and reviewing customer complaints against vehicle dealers, repair facilities (including body shops), and mechanics. Also, we accompanied a BRS investigator on the field investigation of a complaint to gain an understanding of BRS's complaint resolution process. We reviewed randomly sampled complaint case files and reviewed case file documentation for propriety, completeness, and timeliness. We verified that, for cases referred for further review and investigation, the analysts pursued appropriate disciplinary action in accordance with BRS's Disciplinary Action Model.

Our report does not include any reportable conditions related to this audit objective.

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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: www.state.mi.us/audgen/

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