



STATE OF MICHIGAN

DEPARTMENT OF MANAGEMENT & BUDGET
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

LISA WEBB SHARPE
DIRECTOR

June 26, 2009

Doug Ringler, Director
Office of Internal Audit Services
Office of the State Budget
George W. Romney Building
111 South Capitol, 6th Floor
Lansing, Michigan 48913

Dear Mr. Ringler:

In accordance with the State of Michigan, Financial Management Guide, Part VII, following is a summary table identifying our responses and corrective action plans to address recommendations contained within the Office of the Auditor General's audit report of Vehicle and Travel Services (VTS), Department of Management and Budget.

Questions regarding the summary table or corrective action plans should be directed to Joyce Van Coevering, Business Services Administration, Agency Services at (517) 322-5775 or me at (517) 335-1557.

Sincerely,

Signature Redacted

Michael R. Gilliland, Director
Financial Services

Attachment

c: Executive Office
Laura Hirst
Rick Lowe

Vehicle and Travel Services
Department of Management and Budget
Summary of Agency Responses to Recommendations
Audit Period: 10/1/04 – 9/30/07

Vehicle and Travel Services, Department of Management and Budget Performance Audit.

Recommendation No. 1 – Compliance with STR (Standardized Travel Regulations):

We recommend that departments sufficiently monitor travel reimbursement transactions to ensure that reimbursement is made in compliance with STR.

Response:

DMB will comply with this recommendation. VTS is in the process of drafting language to update sections of the STR to ensure compliance with IRS regulations with completion by 9/30/09. A statewide team is being formed to review compliance with policy and will update/modify the policy where applicable and will be completed by June 30, 2010. VTS has also provided audit working papers to agencies for their review and for their follow-up role in monitoring travel reimbursements. A process is now in place to respond to drivers if a vehicle is not available from the DMB managed motor vehicle pool. Finally, a Motor Pool software contract has been awarded which will improve the management of DMB motor vehicle pools.

Recommendation No. 2 – Motor Fleet Utilization:

We recommend that VTS improve its monitoring of the utilization of all of its motor fleet vehicles.

Response:

DMB will comply with this recommendation. A Motor Pool software contract has been awarded and the vendor began planning implementation on 4/14/09. A detailed project plan has been developed. Software will be implemented and operational at the first DMB managed motor pool location by 9/30/09; the remaining DMB managed motor pool locations are targeted to be operational by January 2010. VTS is reviewing the possibility of making the software available for agency managed motor pools. VTS is also continuing formal quarterly reviews of vehicle utilization with agencies.

Recommendation No. 3 – Car Wash Services:

We recommend that VTS sufficiently monitor vendor invoices and, in conjunction with State agencies, ensure that State employees comply with car wash guidelines.

Response:

DMB complied and completed this recommendation on April 14, 2009. A pre-audit process has been implemented between Financial Services and VTS to monitor vendor invoices. VTS is continuing to educate drivers regarding car wash guidelines for policy compliance.