



Michigan
Office of the Auditor General
REPORT SUMMARY

Financial Audit
Including the Provisions of the Single Audit Act

Report Number:
591-0100-09

Michigan Department of Transportation

October 1, 2006 through September 30, 2008

Released:
June 2009

A Single Audit is designed to meet the needs of all financial report users, including an entity's federal grantor agencies. The audit determines if the financial schedules and/or financial statements are fairly presented; considers internal control over financial reporting and internal control over federal program compliance; determines compliance with requirements material to the financial schedules and/or financial statements; and assesses compliance with direct and material requirements of the major federal programs.

Financial Statements:

Auditor's Report Issued

We issued an unqualified opinion on the Michigan Department of Transportation's (MDOT's) financial statements.

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Internal Control Over Financial Reporting

We identified significant deficiencies in internal control over financial reporting (Findings 1 through 3). We do not consider these significant deficiencies to be material weaknesses.

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**Noncompliance and Other Matters
Material to the Financial Statements**

We did not identify any instances of noncompliance or other matters applicable to the financial statements that are required to be reported under *Government Auditing Standards*.

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Federal Awards:

Auditor's Reports Issued on Compliance

We audited 4 programs as major programs and issued 4 unqualified opinions. MDOT expended a total of \$2.3 billion in federal awards during the two-year period ended September 30, 2008. The federal programs audited as major programs are identified on the back of this summary.

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Internal Control Over Major Programs

We identified a significant deficiency in internal control over federal program compliance (Finding 4). We do not consider this significant deficiency to be a material weakness.

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Required Reporting of Noncompliance

We identified instances of noncompliance that are required to be reported in accordance with U.S. Office of Management and Budget (OMB) Circular A-133 (Finding 4).

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Systems of Accounting and Internal Control:

We determined that MDOT was in substantial compliance with Sections 18.1483 - 18.1487 of the *Michigan Compiled Laws*.

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We audited the following programs as major programs:

<u><i>CFDA Number</i></u>	<u><i>Program or Cluster Title</i></u>	<u><i>Compliance Opinion</i></u>
20.106	Airport Improvement Program	Unqualified
20.205	Highway Planning and Construction	Unqualified
20.500 and 20.507	Federal Transit Cluster	Unqualified
20.509	Formula Grants for Other Than Urbanized Areas	Unqualified

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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