



STATE OF MICHIGAN  
**DEPARTMENT OF TRANSPORTATION**  
LANSING

RICK SNYDER  
GOVERNOR

KIRK T. STEUDLE  
DIRECTOR

April 24, 2012

Mr. Doug Ringler, Director  
Office of Internal Audit Services  
State Budget Office  
George W. Romney Building  
111 South Capitol Avenue, 6<sup>th</sup> Floor  
Lansing, Michigan 48909

Dear Mr. Ringler:

In accordance with the State of Michigan, Financial Management Guide, Part VII, Chapter 4, Section 100, enclosed is a summary table identifying our responses and corrective action plan to address the recommendations in the Office of the Auditor General's Performance Audit of the Office of Aeronautics, Michigan Department of Transportation, covering the period of October 1, 2008 through June 30, 2011. The Office of Internal Audit Services, State Budget Office, approved distribution of the plan.

Questions regarding the summary table or corrective action plan should be directed to either Mike Trout, Administrator, Office of Aeronautics, 517-335-9568, or John T. Cotter, Commission Auditor, Office of Commission Audits, 517-373-1500.

Sincerely,

Signature Redacted

Kirk T. Steudle  
Director

Enclosures

Performance Audit of the Office of Aeronautics  
Michigan Department of Transportation  
Corrective Action Plan  
October 1, 2008 through June 30, 2011

1. **Audit Recommendations the agency has complied with:**

None.

2. **Audit Recommendations the agency agrees with and will comply:**

**FINDING**

**1. Flight School Licensing and Inspection**

**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 RESPONSE**

In November, 2011, the Office of Aeronautics developed and implemented a system to track the licensing and inspection of flight schools. As of March 2, 2012, twenty of the required inspections were completed and the remaining inspections will be completed by May 31, 2012.

**FINDING**

**2. State Reporting Requirements**

**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 RESPONSE**

The Office of Aeronautics will submit an annual summary of aeronautics operations and a statement of revenues and expenditures made by or on behalf of the Michigan Aeronautics Commission to the Governor. The fiscal year 2011-12 report will be completed by January 1, 2013.

The Office of Aeronautics submitted the fiscal year 2010-11 Airport Loan Program report to the Michigan Legislature on December 22, 2011 and posted the report on MDOT's web site.

**FINDING**

**3. Airport Provisional Licenses**

**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 RESPONSE**

The Office of Aeronautics developed a system for issuing, documenting, and monitoring provisional licenses that was implemented in December 2011. Also, the Office of Aeronautics is developing new policies and procedures in regard to issuing, documenting, and monitoring of airport provisional licenses. The policies and procedures will be completed by June 15, 2012.

**FINDING**

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

**RECOMMENDATION**

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

**AGENCY RESPONSE**

The Federal Aviation Administration administers the Notices to Airmen (NOTAM) system, used by airport managers and sponsors to provide pilots with information in regard to known airport deficiencies. Beginning in December of 2011, the Office of Aeronautics began modifying its record keeping system for improved tracking of known airport deficiencies. The modifications to the record keeping system will be completed by June 1, 2012. Using this system, the Office of Aeronautics will monitor known airport deficiencies in comparison with related NOTAMs and notify airport managers and sponsors if/when discrepancies are found that require the NOTAM system to be updated.

**3. Audit Recommendations the agency disagrees with:**

None.

Performance Audit of the Office of Aeronautics  
Michigan Department of Transportation  
Summary of Agency Responses to Recommendations  
October 1, 2008 through June 30, 2011

**SUMMARY TABLE**

1. **Audit Recommendations the agency has complied with:**

None.

2. **Audit Recommendations the agency agrees with and will comply:**

1, 2, 3, 4

3. **Audit Recommendations the agency disagrees with:**

None