



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

RICK SNYDER
GOVERNOR

KIRK T. STEUDLE
DIRECTOR

January 23, 2013

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

Dear Mr. Ringler:

In accordance with the State of Michigan's 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 performance audit of the Administration of Act 51, P.A. 1951, as amended, Michigan Departments of Transportation and Treasury, covering the period of October 1, 2009, through July 31, 2012. 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 Laura J. Mester, Chief Administrative Officer, at 517-241-2674 or John T. Cotter, Commission Auditor, Office of Commission Audits, at 517-373-1500.

Sincerely,

Signature Redacted

Kirk T. Steudle
Director

Enclosures

cc: Executive File
Office of the Auditor General
House Fiscal Agency
Senate Fiscal Agency
House Transportation Appropriations Subcommittee
Senate Transportation Appropriations Subcommittee
House Transportation Standing Committee
Senate Transportation Standing Committee

Performance Audit of the Administration of Act 51, P.A. 1951, As Amended
Michigan Department of Transportation and Department of Treasury
Summary of Agency Responses to Recommendations
October 1, 2009 through July 31, 2012

SUMMARY TABLE

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

None

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

1

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

None

Performance Audit of the Administration of Act 51, P.A. 1951, As Amended
Michigan Department of Transportation and Department of Treasury
Corrective Action Plan
October 1, 2009 through July 31, 2012

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

None

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

FINDING

1. Performance Audits of Local Units

RECOMMENDATION

We recommend that the Department of Treasury conduct statutorily required performance audits of county road commissions, cities, and villages that receive transportation dedicated funds.

AGENCY RESPONSE

Subsequent to completion of the audit fieldwork and prior to the release of the audit report, the Legislature passed and the Governor signed Act 298, P.A. 2012. The performance audits under Act 51, P.A. 1951 are no longer statutorily required. MDOT is in the process of determining how to administer the performance audits in the future and will make a determination by March 31, 2013.

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

None