



Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit

Report Number:
591-0190-11

Office of Aeronautics

Michigan Department of Transportation

Released:
January 2012

The Office of Aeronautics administers the State airport development program, which provides project management for the programming, planning, design, safety evaluation, and construction of airports. The Office of Aeronautics' responsibilities include providing overall administration and direction for aviation programs; assisting communities and aviation interests in aeronautical matters; providing air transportation services to State personnel; coordinating accounting and administration functions; inspecting public-use airports; and licensing and/or registering airports, flight schools, aircraft dealers, and aircraft.

Audit Objective:

To assess the effectiveness of the Office of Aeronautics' efforts to comply with selected sections of the *Michigan Compiled Laws* and Michigan Department of Transportation (MDOT) policies and procedures.

Audit Conclusion:

We concluded that the Office of Aeronautics was moderately effective in its efforts to comply with selected sections of the *Michigan Compiled Laws* and MDOT policies and procedures. We noted one material condition (Finding 1) and one reportable condition (Finding 2).

Material Condition:

The Office of Aeronautics did not comply with the *Michigan Compiled Laws* and MDOT policies and procedures regarding the licensing and inspection of flight schools (Finding 1).

Reportable Condition:

The Office of Aeronautics did not prepare and submit statutorily required reports regarding revenues and expenditures to the Governor and did not prepare and submit statutorily required reports regarding airport loan program activity to the Legislature (Finding 2).

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Audit Objective:

To assess the effectiveness of the Office of Aeronautics' licensing functions for flight schools and general aviation airports.

Audit Conclusion:

We concluded that the Office of Aeronautics' licensing functions for flight schools and general aviation airports were moderately effective. We noted one reportable condition (Finding 3).

Reportable Condition:

The Office of Aeronautics did not have 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* (Finding 3).

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Audit Objective:

To assess the effectiveness of the Office of Aeronautics' efforts to provide services to pilots.

Audit Conclusion:

We concluded that the Office of Aeronautics' efforts to provide services to pilots were effective. However, we noted one reportable condition (Finding 4).

Reportable Condition:

The Office of Aeronautics had not developed a process to make information regarding known airport licensing deficiencies readily available to pilots (Finding 4).

Noteworthy Accomplishments:

The National Association of State Aviation Officials (NASAO) was established by the states in 1931 to ensure uniformity of safety measures; to standardize airport regulations; and to develop a truly national air transportation system responsive to local, state, and regional needs.

The manager of the Office of Aeronautics' Project Development Section was awarded the 2011 NASAO Distinguished Service Award. This award is the highest recognition that can be presented to state aviation agency employees for excellence in service and dedication to aviation progress and development in their states. The recipient was commended for effectively managing the Federal Aviation Administration's State Block Grant Program and reengineering the Statewide Pavement Management Program.

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Audit Objective:

To assess the effectiveness of the Office of Aeronautics' governance of MDOT-owned airports.

Audit Conclusion:

We concluded that the Office of Aeronautics' governance of MDOT-owned airports was effective. Our audit report does not include any reportable conditions related to this audit objective.

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Agency Response:

Our audit report contains 4 findings and 4 corresponding recommendations. MDOT's preliminary response indicates that it agrees with all 4 recommendations.

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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: <http://audgen.michigan.gov>



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