



STATE OF MICHIGAN
RUTH JOHNSON, SECRETARY OF STATE
DEPARTMENT OF STATE
LANSING

July 22, 2011

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

Dear Mr. Ringler:

In accordance with the State of Michigan, Financial Management Guide, Part VII, attached 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 the Michigan Department of State, Bureau of Regulatory Services.

Questions regarding the summary table or corrective action plans should be directed to me at (517) 373-2184.

Sincerely,

Signature Redacted

Steve Stier, Director
Bureau of Information Security
Legal and Regulatory Services Administration

Enclosures

cc: Honorable Rick Snyder, Executive Office
Thomas H. McTavish, CPA, Auditor General
Michael Senyko, Chief of Staff
John Nixon, State Budget Director
Charles Moss, House Appropriations Chair
Roger Kahn, Chair, Senate Appropriations
Mary Ann Cleary, Director, House Fiscal Agency
Ellen Jeffries, Director, Senate Fiscal Agency

Michigan Department of State
Performance Audit of the Bureau of Regulatory Services
June 2011
Summary of Agency Responses to Recommendations

1. Audit Recommendations the agency complied with:
Recommendation Number 3

2. Audit Recommendations the agency agrees with and will comply:
 - a. Will comply:
Recommendation Numbers 1, 2, 4

3. Audit Recommendations the agency disagrees with:

None

PRELIMINARY RESPONSES

PERFORMANCE AUDIT OF THE BUREAU OF REGULATORY SERVICES

JUNE 2011

RECOMMENDATION #1

We recommend that BRS ensure that all driver education and motorcycle safety instructors and providers meet certification standards.

We also recommend that BRS fully establish motorcycle safety instructor requirements to ensure that it only certifies instructors who have safe driving records.

ANTICIPATED ACTION: Will comply.

DESCRIPTION OF ANTICIPATED ACTION: The Department will comply by ensuring driving record subscription service accounts are current with all driver education instructors and motorcycle safety instructors. Appropriate licensing sanctions will be implemented when instructors do not meet minimum standards.

During the audit review period, the Bureau of Regulatory Services engaged in upgrading and monitoring the motorcycle data base and subscription service activity on current providers and motorcycle safety instructors. The Bureau is compliant with Michigan Administrative Code R. 257.1708 and the Auditor General's certification recommendation.

Finally, the Department continues to seek legislative support of bills to establish requirements for safe driving records for motorcycle safety instructors which would make these requirements consistent with the current requirements for driver education instructors. The Legislative Services Bureau draft bill numbers are 2731 and 2732. If legislation is not passed in a timely manner this year, the department will begin the process to promulgate rules.

Anticipated Compliance Date: March 2012

RECOMMENDATION #2

We recommend that BRS improve its process for monitoring third party examiners and help ensure that all third party examiners conduct skills tests appropriately.

ANTICIPATED ACTION: Will comply.

DESCRIPTION OF ANTICIPATED ACTION: BRS will comply by recording/documenting the monitoring process of third party organizations and ensure all third party examiners conduct skills test appropriately by performing additional on-site inspections as appropriate. The Bureau is currently working on drafting documentation supporting this monitoring process.

Anticipated Compliance Date: June 2011

RECOMMENDATION #3

We recommend that BRS conduct timely driver assessment reexaminations for high-risk drivers.

ANTICIPATED ACTION: Complied with.

DESCRIPTION OF ANTICIPATED ACTION: A change in procedure was put in place October 29, 2010, whereby driver analysts are documenting justification for any adjournments (which increases the number of days between referral and reexamination) granted for good cause. Measures have been put in place to assure that all drivers are scheduled for reexaminations timely. Higher risk drivers (i.e., medical referrals and those involved in fatal crashes) are being given priority in the scheduling process.

Anticipated Compliance Date: Not applicable.

RECOMMENDATION #4

We recommend that BRS fully establish effective access controls over its licensing and certification data.

ANTICIPATED ACTION: Will comply.

DESCRIPTION OF ANTICIPATED ACTION: The Department will comply by formalizing procedures to fully establish controls and limit access over its licensing and certification data. The formalized procedures will ensure the security and integrity of personal and confidential information. The Bureau has met and is currently working on drafting formal procedures to establish controls and limit access to the data.

Anticipated Compliance Date: November 2011