



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

KIRK T. STEUDLE
DIRECTOR

February 22, 2016

Mr. Jeffrey Bankowski, Director
Office of Internal Audit Services
Office of the State Budget
George W. Romney Building
111 South Capitol Avenue, Sixth Floor
Lansing, Michigan 48913

Dear Mr. Bankowski:

In accordance with the State of Michigan Financial Management Guide, Part VII, following are a summary table identifying our responses and a corrective action plan. These address the recommendations contained within the Office of Auditor General's audit report for the performance audit of the Traffic and Safety Section, Michigan Department of Transportation, covering the period October 1, 2012 through June 30, 2015 (Project 591- 0162-15). The Office of Internal Audit Services, Office of the State Budget, approved distribution of the plan.

Questions regarding the summary table or corrective action plan should be directed to either Brad Wieferich, PE, Director, Bureau of Development, at 517-241-3998 or Jack Cotter, CPA, CGMA, Commission Auditor, at 517-373-1500.

Sincerely,

Signature Redacted

Kirk T. Steudle
Director

Enclosures

cc: Executive Office
Office of the Auditor General
Senate Fiscal Agency
Senate Transportation Appropriations Subcommittee
Senate Transportation Standing Committee
House Fiscal Agency
House Transportation Appropriations Subcommittee
House Transportation Standing Committee
State Transportation Commission Chair
Bureau of Development
Office of Commission Audits

Traffic and Safety Section
Michigan Department of Transportation
Summary Table of Agency Responses to Recommendations
Audit Period October 1, 2012 through June 30, 2015

A. Audit recommendations the agency has complied with:

None.

B. Audit recommendations the agency agrees with and will comply:

Findings 1 and 2.

C. Audit recommendations the agency partially agrees with:

None.

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Michigan Department of Transportation
Corrective Action Plan
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A. Audit recommendations the agency has complied with:

None.

B. Audit recommendations the agency agrees with and will comply:

FINDING

- 1. The Section did not ensure that all required road safety audits (RSAs) were conducted. All regions are required to have at least one RSA conducted each year; however, 2 (29%) of the 7 MDOT regions did not meet the annual requirement.**

AUDIT RECOMMENDATION

We recommend that the Section ensure that all required RSAs are conducted.

AGENCY RESPONSE

MDOT concurs with the recommendation.

However, although MDOT concurs with the recommendation, the finding indicated that two regions did not complete an RSA, as required by current departmental procedures. MDOT considered the benefits versus the costs of its decision to forego RSAs for the two regions. As a consequence, MDOT focused its limited RSA resources on projects in other regions that, based on identified risks, MDOT expected would provide a larger increase to safety than the projects initially selected for the two regions.

In consideration of the finding, MDOT has updated its procedure in the Safety Program's 2018-2022 Call for Projects Process to include a risk-based approach that would allow MDOT to conduct RSAs on projects that would receive the highest safety benefit, regardless of region. This includes a risk-based exemption process for evaluation of the necessity to perform the annual RSA within a given region.

MDOT has concluded that RSAs provide an incremental benefit to safety when performed during the design process. MDOT is expanding the RSA process to include more projects than is required by current departmental procedures. This process is defined in MDOT's RSA Guidance document, which will be effective with projects that have a design start date beginning December 1, 2016.

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FINDING

- 2. MDOT did not maintain updated inventory databases for guardrails and traffic signs on the State trunkline system. A majority of the records in MDOT's guardrail database had not been updated since 2007, and MDOT infrequently used its traffic sign inventory system.**

AUDIT RECOMMENDATION

We recommend that MDOT maintain updated inventory databases for guardrails and traffic signs on the State trunkline system.

AGENCY RESPONSE

MDOT concurs with the recommendation.

Accurate guardrail and signage databases will provide MDOT with information that will augment MDOT's long-term planning efforts and its corridor approach to replacing guardrails and signs. To that end, prior to start of this audit, MDOT was already in the process of developing a new Transportation Asset Management System (TAMS). This system will incorporate business processes that will greatly improve the tracking and outcome reporting of changes to guardrails and traffic signs. As part of the TAMS effort, recommendations for asset data collection will be developed by April 2016. At that time, the department will determine resource needs and develop an appropriate schedule for the database implementation.

C. Audit recommendations the agency partially agrees with:

None.