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Office of the Auditor General

Report Summary

Performance Audit

Real Estate Services Section

Development Services Division Michigan Department of Transportation (MDOT)

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The Real Estate Services Section provides support services for all areas of MDOT and Statewide expertise, training, and quality assurance (QA) for the following services: appraisal, relocation, acquisition, right-of-way (ROW) clearance, condemnations, and oversight of local public agency projects and other special projects. During our audit period, MDOT acquired 1,468 parcels of property for 126 transportation projects.

Audit Objective			Conclusion
Objective #1: To assess the effectiveness of the Real Estate Services Section's efforts to monitor compliance with State and federal ROW requirements.			Moderately effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
For 38% of the projects we sampled, MDOT did not ensure the completeness and accuracy of ROW certifications, which reduced MDOT's assurance that it has appropriate access rights to those properties (<u>Finding #1</u>).	X		Agrees
MDOT did not perform annual QA field reviews at 6 of 7 region offices in over 2 years. One office has not been reviewed since 2010. These reviews help to ensure consistency and compliance in following applicable laws, policies, and procedures (<u>Finding #2</u>).		X	Agrees

Audit Objective			Conclusion
Objective #2: To assess the effectiveness and efficiency of MDOT's real estate management activities.			Moderately effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
MDOT had not conducted reviews of 65% of 3,105 excess properties to determine whether they were appropriate for sale or should be kept for potential future transportation projects (<u>Finding #3</u>).		X	Agrees
MDOT did not record 27% of the parcels we sampled in the Real Estate Management Information System (REMIS), which reduces its effectiveness and reliability as a real estate management tool (<u>Finding #4</u>).		X	Agrees

Audit Objective			Conclusion
Objective #3: To assess the effectiveness of selected access controls over MDOT's real estate systems.			Moderately effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
MDOT did not fully establish a variety of access controls over REMIS and the Real Estate Sale and Lease System (ReSaLe), increasing the risk of unauthorized access to data (<u>Finding #5</u>).		X	Agrees

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