



# OAG

Office of the Auditor General

## Report Summary

### *Performance Audit*

### *MDOT Grant System (MGS)*

### *Michigan Department of Transportation (MDOT) and Department of Technology, Management, and Budget (DTMB)*

**Report Number:**  
591-0593-17

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MGS is used by MDOT's Office of Economic Development (OED) to collect, track, rank, analyze, and preliminarily approve grants to county road commissions, cities, villages, State agencies, transit agencies, and Native American tribes. OED administers grants to enhance the State's intermodal transportation system and ability to compete in a global economy. MGS is a Web-based system that allows grant applicants to electronically submit applications, track grant application progress, communicate with MDOT grant administrators, and upload supporting documentation. From October 1, 2016 through June 30, 2017, OED received 132 grant applications and awarded 91 grants totaling \$50.0 million.

Audit Objective			Conclusion
Objective #1: To assess the effectiveness of MDOT and DTMB's security and access controls over MGS.			Moderately effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
MGS needs more fully established and implemented access controls. Of the 65 users with edit capabilities, 18 (28%) had access rights in excess of those necessary to perform their jobs and 8 were departed users ( <u>Finding #1</u> ).		X	Agrees
MGS information needs to be better protected against unauthorized use, disclosure, modification, or destruction with improved security controls. MDOT did not conduct and document an MGS risk assessment, security assessment plan, or contingency plan ( <u>Finding #2</u> ).		X	Agrees
MGS did not contain controls to help prevent and detect inappropriate grant application approvals, which increased the risk that someone other than the OED administrator could preliminarily approve a grant application without being detected ( <u>Finding #3</u> ).		X	Agrees

Audit Objective		Conclusion	
Objective #2: To assess the effectiveness of MDOT's efforts to ensure the accuracy and completeness of MGS data.		Effective	
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.		Not applicable.	

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