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Office of the Auditor General

Report Summary

Performance Audit

Administration of Act 51-Related Funds

Michigan Department of Transportation (MDOT)

Report Number:
591-0410-17

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The Michigan Transportation Fund (MTF), established by Public Act 51 of 1951, as amended, is the depository for revenues, such as vehicle registration fees and gasoline and diesel fuel taxes. After various statutory deductions, the revenue is allocated to the State (39.1%), counties (39.1%), and cities and villages (21.8%). Act 51 restricts the use of disbursed funds to transportation-related activities, such as road preservation, road maintenance, road construction, and snow removal. MDOT calculates deductions, allocations, and distributions and monitors usage of Act 51-related funds. In fiscal year 2016, deductions from and allocations of MTF totaled \$2.1 billion.

Audit Objective			Conclusion
Objective #1: To assess the timeliness and accuracy of MDOT's allocation and distribution of Act 51-related funding.			Timely and accurate
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
MDOT, in conjunction with the Department of Technology, Management, and Budget, needs to fully establish security management and access controls over the Act 51 Distribution and Reporting System (ADARS) to help prevent unauthorized or inappropriate access (<u>Finding #1</u>).		X	Agrees

Audit Objective			Conclusion
Objective #2: To assess the sufficiency of MDOT's processes for monitoring and reporting on the use of Act 51-related funds.			Sufficient, with exceptions
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
MDOT should more clearly define its processes and expectations for performance audits of local units of government and their use of Act 51-related funds (<u>Finding #2</u>).		X	Agrees

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