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Office of the Auditor General

Report Summary

Performance Audit

Regulatory Monitoring Division (RMD)

Department of State

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RMD's mission is to maintain effective oversight of licensed vehicle dealers, registered repair facilities, certified mechanics, and breath alcohol ignition interlock installation centers. Section 257.1317 of the *Michigan Compiled Laws* allows representatives from the Department of State to make periodic unannounced inspections of the premises, part records, and parts inventory of registered facilities. RMD regulated 5,647 licensed vehicle dealers and 31,687 certified mechanics as of May 23, 2018 and 8,915 registered repair facilities as of June 8, 2018. RMD incurred expenditures of \$5.2 million for fiscal year 2017 and had 20 employees as of June 1, 2018.

Audit Objective			Conclusion
Objective #1: To assess the effectiveness of RMD's efforts to inspect vehicle dealers and repair facilities.			Moderately effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
RMD should improve its inspection process because 4 (9%) of the 46 vehicle dealers and 10 (27%) of the 37 repair facilities that we reviewed had never received an inspection. In these instances, the dealers had a license, on average, for nearly 12 years and the repair facilities had been registered for over 17 years (Finding #1).		X	Agrees

Audit Objective			Conclusion
Objective #2: To assess the effectiveness of RMD's efforts to document, investigate, and resolve consumer complaints.			Effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.			Not applicable.

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