



Performance Audit
Disadvantaged Business Enterprise (DBE)
Program
Office of Business Development (OBD)
Michigan Department of Transportation
(MDOT)

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The DBE Program operates under the federal requirements in Title 49, Part 26 of the *Code of Federal Regulations* to increase the participation of minorities, women, and other socially and economically disadvantaged business owners in federally funded road projects. The DBE Program strives to remove barriers to entry and help disadvantaged firms develop the ability to compete in their industry. As of May 29, 2020, 397 certified DBEs had worked on more than 1,600 jobs between October 1, 2018 and May 31, 2020. The DBE Program is administered by MDOT's OBD, which expended \$3.36 million in fiscal year 2019 and had 22 full-time employees as of April 7, 2020.

Audit Objective			Conclusion
Objective #1: To assess the sufficiency of OBD's efforts to ensure that DBEs comply with certification requirements.			Sufficient
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.		Not applicable.	

Audit Objective			Conclusion
Objective #2: To assess the effectiveness of OBD's administration of the DBE Program.			Effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
MDOT field staff did not submit 8 (24%) of 33 sampled forms to document that DBEs performed the contracted work. Also, in 4 (16%) of 25 instances, the form was not complete (<u>Finding #1</u>).		X	Agrees

Audit Objective			Conclusion
Objective #3: To assess the effectiveness of selected access controls over the Michigan Unified Certification Program (MUCP) system.			Moderately effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
Three (8%) of 38 users we reviewed no longer required access to the MUCP system (<u>Finding #2</u>).		X	Agrees

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