



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

March 9, 2021

Mr. Richard Lowe, Director
Office of Internal Audit Services
Office of the State Budget
George W. Romney Building
111 South Capitol Avenue, Sixth Floor
Lansing, Michigan 48913

Dear Mr. Lowe:

In accordance with the State of Michigan Financial Management Guide, Part VII, the Michigan Department of Transportation is providing its corrective action plan in response to the Office of Auditor General's performance audit report of the Disadvantaged Business Enterprise Program, Office of Business Development, Michigan Department of Transportation, covering the period of October 1, 2018, through May 31, 2020 (Project 591-0351-20). The Office of Internal Audit Services, Office of the State Budget, has approved distribution of the plan.

Questions regarding the summary table or corrective action plan should be directed to either Lisa Thompson, Office of Business Development Administrator, at 517-335-1708 or Jack Cotter, CPA, CGMA, Commission Auditor, at 517-335-5920.

Sincerely,

Laura J. Mester Laura J. Mester
Mar 10 2021 7:55 AM

on behalf of

Paul C. Ajegba, P.E.
Director

Enclosures

cc: Executive Office
 Office of the Auditor General
 Senate Fiscal Agency
 Senate Transportation Appropriations Subcommittee
 Senate Transportation Standing Committee
 House Fiscal Agency
 House Transportation Appropriations Subcommittee
 House Transportation Standing Committee
 State Transportation Commission Chair
 Office of Commission Audits

Michigan Department of Transportation
Summary Table of Agency Responses to Recommendations
Audit Period October 1, 2018, through May 31, 2020

A. Audit recommendations the agency has complied with:

None.

B. Audit recommendations the agency agrees with and will comply:

Findings 1 and 2.

C. Audit recommendations the agency partially agrees with:

None.

Michigan Department of Transportation
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Audit Period October 1, 2018, through May 31, 2020

A. Audit recommendations the agency has complied with:

None.

B. Audit recommendations the agency agrees with and will comply:

AUDIT FINDING

1. MDOT did not ensure that commercially useful function (CUF) review forms were prepared or complete for all projects with DBE participation.

RECOMMENDATION

We recommend that MDOT ensures that CUF review forms are prepared and complete for all projects with DBE participation.

AGENCY RESPONSE

MDOT agrees that current DBE monitoring activities, which include a process that was properly approved by FHWA, can be improved. To help ensure that CUF forms are always prepared and completed, MDOT's central office and field staff will need to collaborate to develop a process that delivers the desired results.

MDOT will increase training and support to the field to clarify the responsibilities that field personnel have for preparation and completion of the CUF review forms.

OBD will increase the running of the random sample from annually to every six months. Region leadership will review results of the sampling with the field to help support a more effective implementation of the approved procedures.

MDOT expects to complete these improvements by October 1, 2022.

AUDIT FINDING

2. OBD should improve its controls over Michigan United Certification Program (MUCP) system user access to help prevent and detect inappropriate access and protect confidential information from unauthorized access, use, disclosure, modification, or destruction.

Michigan Department of Transportation
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RECOMMENDATION

We recommend that OBD improve its controls over the MUCP system by promptly removing users no longer needing access.

AGENCY RESPONSE

MDOT agrees with the recommendation.

MDOT has dedicated resources to monitor and help ensure the timely review of MUCP Internal user access and is implementing a process to better identify and take timely action on MUCP Internal users who should have access reduced or revoked.

MDOT is implanting a recurring monthly communication with its MUCP certifying-agency partners to review and approve existing MUCP Internal user access. These communications will be documented to facilitate future reviews.

MDOT expects to complete these improvements by June 1, 2021.