EXECUTIVE SUMMARY
DEPARTMENT OF TRANSPORTATION ADMINISTRATION

We found the financial transactions included in our testing were related to the department's programs, were reasonable, and were recorded properly in the accounting systems. In making these determinations, we identified areas where improvements can be made in overtime monitoring and inventory control meriting management’s attention.

AUDIT HIGHLIGHTS

- We noted employees earned overtime on the same day leave time was charged and employees worked more than 16 hours in a 24-hour period. During fiscal year 2012, the department incurred $14.7 million in overtime costs. Our test of one pay period found 9 of 40 timesheets (23%) tested had overtime hours approved by supervisors which had leave charges and overtime charges for the same day, representing 10 percent of the 425 overtime hours tested. Overtime costs may have been reduced if the department’s overtime policy was adhered to. The employees would have earned straight pay for hours worked instead of earning the overtime rate. Additionally, 13 percent of the timesheets tested disclosed employees worked more than 16 hours in a 24-hour period. Working excessive hours subject employees to fatigue which creates a safety concern and is a direct violation of the department’s policy.

- Nonexpendable inventory is tagged and recorded into the department asset inventory system when the asset is deployed and not when the asset is received. We performed a physical inventory count on April 8, 2013 and found 218 laptops in the department’s warehouse that had not been tagged or recorded in the asset inventory system. We also found the department does not perform periodic physical inventory counts. If acquisitions and dispositions are promptly recorded, the inventory system could be used to identify surplus assets for proper deployment or disposition, and comparisons to periodic inventory counts would alert management of any shortages timely.

AUDITEE RESPONSE

The department generally concurs with our findings and recommendations, except for the interpretation of the intent of the department’s overtime policy.

For the complete audit report, click here.