EXECUTIVE SUMMARY

DEPARTMENT OF TRANSPORTATION
MAINTENANCE AND OPERATIONS

We found the financial transactions included in our testing were related to the Maintenance and Operations program, were reasonable, and were recorded properly in the accounting systems. In making this determination, we noted certain weaknesses that merit management’s attention. In addition, we found a potential opportunity for increasing reimbursements involving damage to state property by motor vehicle accidents. We also found the department has not resolved significant conditions noted in our prior report regarding the disposition of inventory variances and overdue vehicle maintenance. These issues have been updated and restated in this report.

We also made an observation concerning the procurement process.

AUDIT HIGHLIGHTS

- There have been a significant number of automobile crashes involving damage to state property for which a traffic claim for reimbursement has not been submitted. If the department submitted claims for half of the crashes, they could have potentially received $5 million in additional reimbursements.

- The department had not performed an independent physical inventory of vehicle parts, tools, and equipment at their maintenance garages.

- Our review of preventative maintenance found that of the 1,205 vehicles 115 were more than three months overdue for minor preventative maintenance and 54 for annual servicing.

- All time, including overtime, entered on timesheets should be supported by the Daily Work Reports (DWRs). We judgmentally selected 25 timesheets to trace to the DWRs and found 13 did not have either comments detailing the overtime worked or the on-call hours were not equal to the timesheet.

- The non-removal of damaged utility poles is creating a public safety hazard.

- We observed the procurement of contracts, vital to Maintenance and Operations, were expired, delayed or had terms that may put the state at financial disadvantage. If the purchasing regulations were revised to allow the department additional procurement authority, the department believes this could potentially improve the timeliness and reduce the costs of contracts.

AUDITEE RESPONSE

The department generally concurs with our findings and recommendations.

For the complete audit report click here.