EXECUTIVE SUMMARY

DEPARTMENT OF TRANSPORTATION
DIVISION OF RIGHT OF WAY AND ACCESS MANAGEMENT

We found controls over the right-of-way acquisition, outdoor advertising, and highway access management programs to be adequate and their activities to have been conducted in compliance with state and federal laws, regulations, and policies. In making these determinations, we noted certain weaknesses that merit management’s attention. In addition, we found a potential opportunity for increasing state-share cost reimbursements related to access management activities.

AUDIT HIGHLIGHTS

• The division’s limited and inadequately documented surveillance of federally-determined controlled routes diminishes its ability to effectively control the outdoor advertising program and comply with federal law. Without “effective control” of outdoor advertising, 10 percent of their federal-aid highway funds, which would have been $96 million in fiscal year 2015, may be subject to loss. Periodic surveillance also discovers new illegal signs and assures that permits are current.

• The manner in which the Outdoor Advertising Services (OAS) unit monitors penalties prevents reconciliation with the program’s database. In addition, the OAS unit does not adequately document its decision to abate penalties, nor notify the Commissioner of these abatements.

• The department can require a developer to reimburse it for state-service costs in excess of the combined application and permit fees. There were 222 applications where the total unreimbursed costs exceeded the maximum application and permit fees by at least $10 million.

• Adequate supporting documentation of the acquisition of property provides assurance the acquisition process was fair and equitable. The use of the division’s database, PAECETrak, is varied and inconsistent, hindering the division’s ability to provide this assurance.

• The division is potentially foregoing additional revenues by not updating lease agreements. Twenty-nine of 41 non-governmental leases expired and, on average, had not had the lease amount changed in over eight years.

• The division’s inventory of excess and surplus property acquired for transportation purposes is not complete. As a result, the division is unaware of additional potential surplus sales or leasing opportunities.

AUDITEE RESPONSE

The department generally concurs with our findings and recommendations.

For the complete audit report click here.